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UNDERSTANDING ITALY

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PREFACE

It would seem to be a queer mood that would impel any one to write another book about a country of which the last word appears to have been uttered long ago. But is the last word ever spoken about a growing and changing nation as Italy is to-day? Furthermore, though much may be known about Italy's art, her music, and her charming climate, an understanding of the Italian people and a clear knowledge of the economic and industrial renaissance which has been sweeping through the country of late are not so common.

There is not only a lack of understanding of European countries to-day on the part of Americans, but there is also a tendency to act the Pontius Pilate and to relieve ourselves of responsibility for the Old World, now fallen "under such sullen and averted stars," by saying, "We do not understand those countries; therefore we had best keep free from European affairs."

However, it is gradually being borne home to certain sections of our people, particularly to those engaged in financial and commercial dealings with

Europe, that, whatever we may say or think about it, our national prosperity and destiny are closely interwoven with the life and destiny of transatlantic people. As ex-President Taft once said, "Unless everybody prospers, nobody prospers." We cannot have a permanent period of good times while Europe is languishing in bad times. Our future national welfare, as well as our moral duty, impels us in this morning of America's material prestige to understand Europe, and to render to these people who have sent to us "the richest bloods of earth," and who now must have our aid if civilization is to survive, a discerning as well as a material appreciation.

A far-sighted statesman of Europe, President Masaryk of the new state of Czecho-Slovakia, is reported to have said that the first duty of Americans was to understand Europe, that material help to European nations would be of little value unless it had wise direction, and that it could not have such direction unless there is back of it sympathetic understanding.

During the past summer I talked with scores of men in Europe and especially in Italy, many of them leaders in business, commercial, political, and industrial enterprises, and I do not recall a single instance in which it was not stated in one way or another that there was evident in certain states of Europe a new spirit, something other and different than the ancient dominating principles of the old continental world. That this spirit of hope and progress was particularly noticeable among the Italians, young as a nation but

old as a race, many discerning students of Europe have borne witness.

It is because of this renaissance in Italy along economic and industrial as well as along political and spiritual lines, that this book has been written. It has been the aim of the author to throw light upon this new day in Italy, telling of the spirit of the Italian people, of their rapid recovery from the depressed conditions following the war, and of the way in which the youth of the country, moving spirits in this revival period, are taking a hand in nation building.

When we say "Understanding Italy" we mean the Italy of the last half-century, the "United Italy," particularly from the point of view of her remarkable industrial development. We mean the Italy captured so recently by Benito Mussolini and his youthful crusaders, who, whatever we may think of their method, represent the spirit of vigorous youth in the nation, while back of them, acting as supporters, are the industrialists, bankers, foreign traders, and also the merchants and manufacturers of the country. It is the Italy of youth becoming conservative who, tired of traditional snail-pace government and delayed secret diplomacy, have at last cried out with one voice, "Italy for the Italians!" By this they have meant: "Let us make a country that can march to modern music! Let us forget our ancestors and our glorious yesterdays for the time being, and think of our youth and our even more wonderful and potential to-morrows!"

No words may be more appropriate to hang above

the doorways of present-day Italy than the first line of one of the Fascisti hymns, sung with such unction and patriotism by the young Italians:

O Youth, O Youth, Springtime of Beauty.

It is of this modern Italy now being rejuvenated and revived by all methods, including the shedding of blood, in order to break up an unsatisfactory traditional régime, that we write. We earnestly believe that in this Italian revival there lies a potential hope, not only for Italy, but also for the reconstruction of Europe.

We wish to express our indebtedness to Mr. Vincent Giordano, publisher of the well known Italian newspaper of New York, "Il Popolo Consolidated with the Bollettino Della Sera," who proposed the writing of this book and who furnished the author with many introductions to the leading men of affairs of Italy, without whose generous coöperation the material contained in the book could not have been secured. Our obligation also to the members of the American Embassy in Rome and to the American Consular officers throughout Italy is very great. We wish also to extend public acknowledgment to the "Credito Italiano," one of the foremost credit banks of Italy, for the privilege courteously granted of using a number of unique photographs revealing the economic progress of the New Italy.

C. S. C.

New York City, January 15, 1923:

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UNDERSTANDING ITALY

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CHAPTER I

THE NEW ITALY

We who have seen Italy in the throes
Half risen but to be hurled to the ground and now,
Like a ripe field of wheat where once drove plow,
All bounteous as she is fair we think of those
Who blew the breath of life into her frame;
Cavour, Mazzini, Garibaldi; Three;
Her brain, her soul, her sword; and set her free
From ruinous discords, with one lustrous aim.

GEORGE MEREDITH.

THE love of Italy and things Italian is world-wide. The true understanding of these highly gifted, romantic, and temperamental Latins, successors of a world-conquering race, is not so universal. It has been stated that of all the modern Europeans the Italians hitherto have been least understood.

Ernesto Nathan has said, "In following modern lights our birthright is not the least of our encumbrances." Italy is a shining example of a country richly endowed with inherited encumbrances. Modern Italy, like many a son of a great father, has been overshadowed by her past. To think of Italy has been to

think of the custodians of the "grandeur that was Rome." A wide-spread determination persists to contrast present-day Italy and Italians with the glories of ancient Rome and the Titans of that historic period. To many, Italy has existed simply as a museum; all roads have led to Rome, but it has been the Rome of the Colosseum, the catacombs, and the early Christian era.

In popular imagination there has been the home of art, of poets and romanticists, of idyllic lovers and musicians, and only such as these.

The Italy of to-day, the New Italy, fresh, vigorous, and intensely energetic and up-to-date, is a bit tired of hearing this talk about her glorious past and has heard quite enough about Rome's being the "Eternal City." You cannot weary a modern businesslike Italian more easily than by the usual characterization of his country as the land of art galleries, temples, blue sky, and azure sea, visited only if we are travelers, artists, or antiquarians. All this fails to consort with the ideas of Italian engineers, industrialists, and bankers. The Italians are, indeed, quite fed up with being merely the inhabitants of a land that is "the great grandmother of civilization," or, to use another phrase attached to Italy, "the petted godchild of Europe."

It is one of the most difficult things in the world for a nation, as for an individual, to live down a past. The world somehow demands unchanged conditions in her country as in her men. In book, in drama, and in the writings of travelers generally, Italy continues to be

one of two things: a fortunate country where the sun is always shining and gondoliers are always singing, or a land still touched with medievalism if not associated more or less intimately with the ancient Roman civilization. The present-day renaissance of letters and of art and the revival of trade and industry are rarely considered. To say that the modern Italian business man, manufacturer, or foreign trader is quite the equal of his kind in other nationalities would come as a surprise to many who have been accustomed to consider the Italian in a more or less depreciating or patronizing mood.

Ruskin and Browning, Howells, Byron and Goethe, in fact almost all the great poetic names of every generation, have seemed to be in league to make Italy merely a mystic shrine for pilgrimages of those interested in her past.

Even the business man and traveler going to Italy rarely consider it important to acquaint themselves with the rise and rapid growth of this comparatively new kingdom only a little more than half a century old, furnishing a page of history as fascinating in the annals of freedom as was our own American fight for independence. Garibaldi, her sword, Mazzini, her soul, and Cavour, her brain, the Italy of to-day broke away from the bondage of the Bourbon kings in the two Sicilies, loosened the Hapsburg clutch upon her northern provinces of Lombardy and Venezia, wrested Rome with its environs from papacy, and freed Tuscany, Parma, and Modena from the duchy princelings.

The story of the way in which a king, a statesman, and a half-outlaw soldier general united to make a new Italy is one of the most enthralling bits of history connected with any European nation. Italy was made by the decisive events of 1859 to 1860. The year 1859 was the year of Cavour and Napoleon III; the year 1860 was the year of Cavour and Garibaldi.

This knight-errant of Italian independence, Garibaldi, landed in Sicily with only a thousand men, wearing red shirts and plain clothes, and, according to Trevelyan, armed with muskets fit for the scrap-heap. This liberator with the aid of the Sicilian populace took the capital of the island from twenty-four thousand regular troops armed with rifles. In November, 1860, Garibaldi resigned the dictatorship of Sicily and Naples and returned to his farm, taking with him a large bag of seed-corn and a small handful of lira notes, leaving Victor Emmanuel II acknowledged constitutional monarch of the new Kingdom of Italy. The accomplishments of this country as United Italy, dating from this year of 1860, have been quite sufficient to make readable history and furnish the world with an example of the inherent capacity and courage of the Italian people.

The unification of Italy was accomplished by a strange coöperative company. Radical revolutionists joined with conservative politicians and aristocratic nobility. The royal house of Savoy, whose eminent minister was Cavour, and Napoleon III brought in the New Italy politically; while Garibaldi, whose practical

action and "do it now" habit crystallized the undertaking, was the prototype of the present-day Mussolini. On March 14, 1861, the first Italian Parliament unanimously proclaimed Victor Emmanuel II King of Italy. Certain people who were still strongly swayed by the immemorial traditions of the peninsula wished the title to be "King of the Italians." Cavour, who had so much to do in bringing about the modern unification of his country, insisted upon the use of the word "Italy," since, as he said, Italy meant at last a fact; there had been Italians for one thousand years, but not until that date in 1861 did Italy actually begin to exist as an independent nation.

The ideal of Dante and the dream of Italians for five centuries had come about. It was a radical and far-reaching step. In 1859 Italy was only what Prince Metternich called a "geographical expression": seven belated states, all of them except Piedmont, which alone had a parliamentary government, being in the grip of despotism more or less absolute, and all looking, in a way, to Austria for protection.

The year 1861 saw Italy free, save for Venezia still held by Austria, and a narrow strip of papal territory guarded by French troops. The freeing of Italy was a page of epic glory in Europe, accustomed to the old and monotonous régime of injustices, intrigues, and broken hopes. The alliance of France and Piedmont brought about by the amazing genius of Cavour, "the salvation of Tuscany" accomplished by the steadfastness of Ricasoli, and the heroic exploits of Garibaldi

in the south overthrowing Bourbon rule—all these were unusual events, full of dramatic and epic significance.

The national regeneration of Italy was brought about by a remarkable redemptive patriotism with which the Italians are richly endowed. The United States was among Italy's most sympathetic friends during this conflict. We harbored Italian exiles in the days of the proscription, while the citizens of Boston subscribed one of the hundred cannon that protected Alessandria against the Austrians.

Our Government at once acknowledged the new nation and sent as our first American minister to Italy the Hon. George T. Marsh, who proved to be one of Italy's staunchest friends. The two countries have been bound together more and more closely with each passing year since 1861, and the fact that in this American land at present there are upward of four million sons of Italy makes the blood tie between the two peoples the strongest of all international bonds. These men came as immigrants for the most part to the United States, but they remained to become the best manpower we have ever known in our industrial life.

The obstacles which this new Italy has had to overcome in bringing the country to its present-day period of real promise are seldom appreciated by the casual traveler to this land, which seems at first sight made up simply of lighted-hearted, easy-going, and charming people.

In 1861 nine out of ten persons in Italy could not

read or write; but education, the essential foundation for a democratic government, began soon to receive attention, and the Italian system of training of her youth, while needing funds for further development, has been noteworthy. In some places illiteracy included 95 per cent of the population. At the beginning of this New Italy the very habit of going to school had to be created. The inhabitants had inherited habits of idleness for generations. The people in certain parts of the country had been taught to disbelieve in work; begging not only flourished widely but was encouraged. The proletariat is now second to none in its willingness to toil, while industrial and economic progress is universal throughout the peninsula. Italy has had her difficulties in the process of liberalization by reason of the presence of the old feudal spirit and a tendency to retain certain medieval traditions. Her unity at times has been delayed and threatened with disruption by something resembling anarchy in her own army and government. Here as elsewhere there has been government for expediency rather than for the sake of principle. Of late, Italy has encountered allied hostilities from without and political ineptitude among her legislators from within.

There was also in her diverse population tremendously differing peoples to unify. The Sardinian, for example, differed as widely from the Venetian as the Sicilian differed from the Piedmontese. In dialect, in ordinary customs, in the use of agriculture and industry, in climate, and even in racial strains, Italy was

and is diverse. Her present unity is a miracle of modern compromise and adaptation, traits particularly outstanding in the Italian character.

Surmounting, to a considerable degree at least, all these obstacles, the New Italy has pressed steadily forward, responding to the call of the new age. Her young men have determined that ancient conditions shall be transformed or swept away. In his excellent book, "Immortal Italy," one of the best descriptions of the part that Italy took in the World War, Edgar A. Mowrer has stated clearly certain points in the modern transformation of Italy, foreshadowing recent events:

Beneath her seeming immobility, Italy has undergone a very remarkable transformation. Outwardly the old crew of octogenarians, empty headed orators and unscrupulous turncoats still visibly clutter the seats of the mighty. Under their guiding hands, administration becomes each day more complicated and economic organization more unsound. But internally, in the Chamber of the National soul where the future is maturing, something has changed. The pulse of the nation, aroused during the war, beats more quickly and powerfully. Italy has undergone a kind of conversion and many of the beneficial effects desired by the interventionists of 1915 are in process of realization. Conversion is first of the soul; the new spirit has not yet had time to emerge in action, but foreigners will do well to take stock of it. In the dark night after Caporetto, Italy came of age. The typical figures are no longer (if they ever were) the street musician and the handsome indolent Count, seeking to win the heart of an heiress. The time when anything foreign

swam in a halo of superiority has also vanished. Despite many appearances the real foundations of national life are much more solid than before the war.

Poor by nature, overpopulated and without coal and iron, two great essentials in nation building, Italy has still gone forward finding means to overcome her disadvantages. The New Italy still found France and Austria menacing her and had to prove her right to sit at the table in the family of nations. She has dealt with her radicals, her socialists, her reactionaries, and her anarchists, and with supreme tact she has brought about harmonious relations between her political Government and the Vatican. In fact, the struggle between the Quirinal and the Vatican has become largely a thing of the past, and the Italian youth, while not interested vitally in religious matters, are still less interested in continuing polemics between church and state. Cavour on his death-bed repeated the immortal maxim, "A free church and a free state," and held it up to his people as the conserving principle of national life, a mainspring of toleration and a sure method of breeding and maintaining that individualism which makes Italians Italians.

It was unique in Europe, a state founded on racial unity. It was an experiment, and the Italians have always been keen and daring in attempting new things. "The long cherished theory," says William Kay Wallace, "that all men of the same language, customs and traditions have a right to form a separate political unity, was realized." Italy, we may say, invented the

idea and also furnished the example of nationalism in modern times. Here was an extended individualism wide enough to include all men of kindred race. The idea was the absolute antipodes of the German conception of hegemony, which was that of the strongest ruling over any number of dissimilar states. The Italians learned to think nationally and to act nationally, and this brought out the moral fiber of the race. It is still a new principle in Europe, but it is a kindling force, and it has swept the Italy of to-day into a new field of thought and action.

There are two things which have had and are still having much to do with the development of this new country and these are Irridentismo and Fascismo. The great Italian passion that determined to get back the lost provinces and possessions burns brightly in the heart of every son of Italy, and to-day he does not speak of the redemption of the northern provinces through the defeat of Austria without a gleam of patriotic fire in his eyes. By gaining her lost possessions in the Trentino and Triest, Italy has enlarged as well as fortified her country. She now feels that she is ready to go forward upon her new career of political and industrial development. Her past is a closed book. She is now living vitally in the day of her new opportunity.

It is of this New Italy, led at present by the vigorous Mussolini, that the vibrant youth of the country ask for a hearing. It is this Italy of to-day, with a present population of forty million people, young as national life goes but buoyant in ambition, to which they would

call the world's attention. Occupying the best strategic geographical position as a trading center for the Mediterranean basin, possessing the richest of national assets in her abundant, thrifty, industrious, and rapidly increasing man-power, having several of the most important industrial plants and the richest hydro-electric possibilities of any country bordering on the Mediterranean, with a merchant marine comprising upward of three million dead-weight tons, and with twenty thousand kilometers of railway—this New Italy believes that she has a right to a place in the sun, by which she means a place in the great international circles of trade and industry. To her reputed and unquestioned genius in the arts Italy in recent years has been adding successfully commercial and economic accomplishments of no mean order.

We would present the modern Italy as she was in 1914. At that time the country had placed itself upon a sound basis of national finance, with a funded national debt of fifteen billion lire converted into $3\frac{1}{2}$ per cent interest-bearing bonds, quoted at a premium on the Paris exchange. Her tourist trade then, taken together with the funds remitted by emigrants, about five hundred million lire annually, balanced her trade account with foreign countries. Her cotton and silk industries, well supported by her shipping and banking agencies, were in a flourishing state of growth, and Italy found herself increasing in natural wealth, rapidly assuming in the family of nations a position of advancing importance.

A great tide of economic development poured

through Italy in the two decades previous to the European War. It was estimated in 1914 that, excluding churches and public buildings, 50 per cent of the value of all buildings in Italy had been created in the preceding fifteen years. Foreign capital had played a part in this great and sudden revival of trade and manufacturing, but Italian vision, Italian native ability, and particularly Italian imagination and daring were the moving and dominant factors in the building up of this new Italy.

Then the European War! We see Italy emerging from those momentous and tragic years, possessed of her redeemed provinces and with victory over her inveterate Austrian foe. She also inherited from the war considerable responsibility for political and racial adjustment, not to speak of labor disturbances and financial chaos, general attendants of post-war conditions in all combatant countries. We find Italy counting her losses of half a million killed, with hundreds of thousands wounded and a plentiful supply of non-producers and dependents as a result of the war. Enemy action had destroyed 1,237,000 tons of her merchant ships out of a total of, possibly, two million tons in 1914. In order to feed her people she found it necessary immediately after the war to import ninety-four million rather than sixty-one million bushels of grain. Emigration was virtually stopped, and the streams of travel upon which Italy had depended for revenue in pre-war years were almost completely dried up. The markets of Europe, which had meant so

much to the Italian people, especially the German market, were virtually closed, and the other European countries had their hands full in attending to their own domestic dilemmas. Coal, for which Italy's industries and railways are entirely dependent upon foreign countries, had risen to almost prohibitive prices. Many of her large industrial plants, developed largely by and for war purposes, were stranded amid the conditions of peace. With frequently changing ministries, all alike incapable of balancing the annual budget, Italian credit at the close of the war was anything but promising.

There were unsettled labor conditions and strong Bolshevist propaganda, accompanied by strikes and labor disorders, threatening at times the foundations of the state. The failure of the large steel companies, Ansaldo and Ilva, dragging down with them the Banco Italiano di Sconto, tended to cast a still darker shadow across Italian credit both at home and abroad. At the same time Italian exchange, along with all European money, fell to a point which made trading with the United States, at least, increasingly difficult.

Emphasis should be laid on the fact that during these days, as in the subsequent "bloodless revolution" of last August, his Majesty King Victor Emmanuel III, with wisdom and good sense, with unifying ability and deep loyalty to his people, helped to save the kingdom. The King and Queen of Italy, continuing "to reign, not to govern," represent the dignity and power of their nation without unduly dictating or assuming

the responsibilities of state and government. Italy is indeed fortunate in having a ruler of such character who in times of political and economic stress has never failed to bring to the situation a high degree of good judgment.

It was in the midst of such critical conditions, and one might say by reason of them, that the Italian people were awakened to the inevitable necessity of production, harmony between labor and capital, and a new determination to cut away extravagance from governmental undertakings in order to save the nation. It was then that the people learned the truth well expressed by ex-Premier Francesco Nitti, who addressed the following words to his countrymen:

Italy has too many orators in each political party, and only needs good administrators and people to work; speakers cannot increase production but more often they tend to aggravate the confusion. Many ignorant persons think that the uneasiness caused by economic and financial situations is due only to material reasons. They neither know nor realize the profound idealism of our work; they do not understand that a people's self-esteem is given by power, and that in modern times no power is possible where the conditions for economic life are lacking; no dream of greatness, no pride, are possible in a people that must ask or borrow; no sense of greatness in a people who cannot experiment.

During the post-war years Italy's most serious problem was connected with her laboring classes. There were times when the socialists and communists, inspired by Russia, threatened far-reaching chaos. In the north-



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VICTOR EMMANUEL III, KING OF ITALY

Whose good sense and loyalty to his people are widely known

ern industrial section and at Bologna, Ferrara, and Florence, every known experiment in strikes, attended in many cases by riot and bloodshed, was tried.

It was not until August of 1922 that this radical element received at the hands of the Fascisti what for the present, at least, seems to have been a death-blow. This band of youthful Italian crusaders, headed by their courageous and able ex-socialist leader, Benito Mussolini, beginning as a kind of Italian vigilantes, steadily grew in numbers and influence until its adherents included three million people at the time the Fascisti marched into Rome. Among the active supporters and Fascisti soldiers there was at this time an efficient army ready to do battle against Bolshevik or reactionary, all highly patriotic and insistent upon active and immediate reform. Mussolini, after becoming premier and addressing the Roman Parliament, incidentally suggested that if things did not develop along the line of his desires, he would be able to bring to bear upon the country an army of three hundred thousand soldiers, carefully and efficiently trained, equipped with all the appurtenances for carrying on successful war.

The Fascisti paper "Popolo d' Italia" quoted in its editorial page the words attributed to Napoleon: "Revolution is an idea which has found enough bayonets to support it." Mussolini wisely waited for his revolution until he was sure of enough "bayonets" behind him to make force virtually unnecessary. Thus the taking over of the Italian Government by the

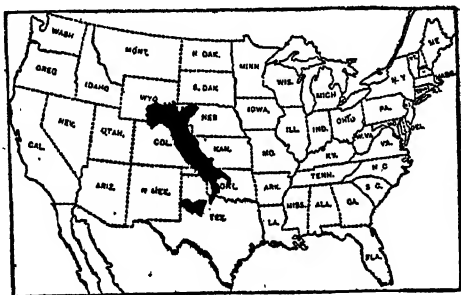
Fascisti, while in reality a revolutionary proceeding, was also called and with some justice a "referendum" by the people themselves. The Italians had given the radicals a chance to do something constructive for Italy, and the radicals had failed. The people were now almost solidly behind Mussolini and his youthful soldiers, contributing money to their campaign and in every way possible wishing them well.

It was because there stood behind these spectacular Fascisti many of the leading men of affairs, who looked upon this voluntary order as a vital necessity, strengthening the hands of a weak Government, that the king threw his influence with Mussolini. This victory of the virile man-power of Italy in the summer of 1922 was a vital economic as well as political victory. It is through her man-power that this country must be reckoned with by all those attempting to judge of her future place in civilization and trade. The population of Italy is greater than the civilized population of the South American continent, and, with the possible exception of Belgium, Italy is richer in man-power than any other similar area of the earth.

Italy, moreover, is the only one of the great European belligerents to emerge from the war with a larger population than when she entered it, in spite of the half-million men killed in battle. The return of the two hundred and sixty thousand Italian reservists from foreign lands, together with the limitation and in some cases almost the stoppage of emigration, has more than made up for this loss in population. One of Italy's insistent problems consists in utilizing her rapidly

increasing people. With restricted emigration to the United States, Italians have been going to South America, to France, there assisting the work of reconstruction, and to the Near East, where Italy is building strong business alliances.

It is natural that the Italians should find the present immigration law of the United States an obstacle to their national migration, since out of six million



Comparative size of Italy and the U. S.

Italians now resident in foreign lands more than half are in the United States, and the ties of so large a population with the home land tend naturally to an ever-increasing emigration to this country.

The building and launching of several fine new passenger-steamers by Italian companies have added to the attraction of emigration to Argentina, to Brazil, and to North America. These ships sail with full cabins, not only of laborers, but of the better classes, who seek homes and employment in foreign lands.

The development of Italian industries which has been

an outstanding event in the last twenty years will tend to give occupation to an increasingly large portion of Italy's workers. Northern Italy especially is teeming with manufactories and industrial enterprises. Cotton and silk mills are there, and factories for the manufacture of automobiles, locomotives, and railway-supplies, with a large variety of industries relating to chemicals, metallurgy, hydraulic turbines, aëroplanes, and all kinds of electric and agricultural machines and implements. At the same time the smaller industries for which Italy has been famous are taking larger and larger numbers of hand-workers—such crafts as embroideries, lace-work, glass, and objects of art, with notable marble-quarries, alabaster and sulphur industries, not omitting the many dairy-products, wine-production, and the fruits of the prolific Italian soil.

The unlimited water-power of Italy, greater than in any other country of its size on the globe, is attracting American as well as native capital. The concessions granted already reach three million horsepower, and the country, filled with mountain streams, awaits only better times to embark upon a series of hydro-electric developments unexampled in Europe. With the regaining of the former provinces, the Trentino, Upper Adige, and Venezia, large additions have been made to the country's water-supply as well as to her general wealth. Italy is assured, according to a late investigation, of sufficient hydro-electric energy, latent and applied, to electrify the railway system of the country and to furnish power for all of her street-



FLEET OF FIAT TRACTORS

Engaged in maintaining supplies for troops holding position in the Trentino Alps,
10,000 feet above sea level

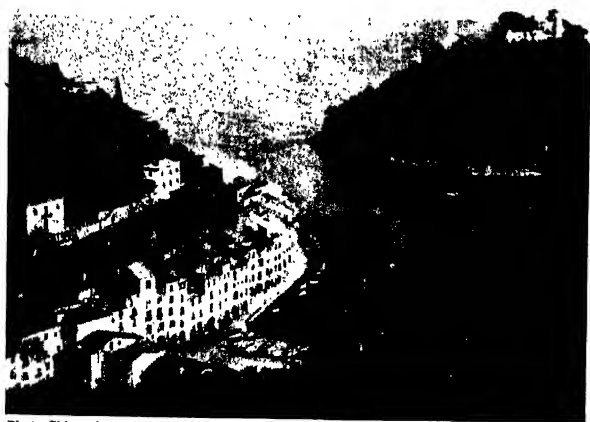


Photo Chiavari

ALONG THE ITALIAN RIVIERA, PORTO FINO

Italia! O Italia! Thou who hast the fatal gift of beauty.—Byron

railways, lighting-plants, and modern factories in the highly industrialized regions of Piedmont and Lombardy.

The financial situation of the Italian Government, although at first sight a bit discouraging, is, in the light of Italy's financial history and the country's ability to work and to save, always settling satisfactorily its matters of finance, by no means one for despair. Of all the continental countries, the visitor gets in Italy most nearly the impression of potential financial solvency. Peasants and the food producers are in fairly good circumstances, and the standards of living have been steadily raised. The Bureau of the Foreign Consulates and the commercial attachés are generally united in the opinion that Italy will meet her obligations without danger of going the way of Austria and Germany. The new Mussolini Government has stated its intention to give particular heed to the cutting down of bureaucratic expenses and to the balancing of the budget at the earliest possible moment.

Although Italy's foreign trade has been of late a more or less hand-to-mouth operation, it may be noted that the United States supplies the bulk of the raw cotton, wheat, minerals, mineral oils, and tobacco imported by Italy, occupying first place in so far as imports are concerned. The United States also occupies a prominent position in Italian exports, although Switzerland, France, Austria, Germany, and Great Britain are all good customers. The Balkan and eastern Mediterranean markets are now largely supplied

by Italy, and when the southern Russian sources are opened to supply wheat and petroleum, a decided impetus will be given to Italy's Near Eastern trade.

There has been a tendency in Italy, as in the United States, to reduce industrial activities and expenses to their lowest terms consistent with depressed markets, and as a result Italian financial conditions are now getting on a sounder basis than in the years immediately preceding the war.

The country has been passing through the same general transition period as the other countries that had abnormal production during the war and the years immediately following; these war industries are being rapidly liquidated and their activities adjusted to peace conditions. Every one is working, and the spirit of the people is excellent. A general revival of trade and industry seems to be in sight, and the settlement of the labor difficulties at the hands of the Fascisti opens the way for enlarging enterprises on the part of Italian manufacturers.

It must be remembered that one third of Italy's population is engaged in agricultural pursuits, and about two thirds of the producing element derives its living from this source. The agrarian population in Italy includes ten million more people than ten years ago.

Agriculture has been doing uniformly well, and good crops, coupled with the traditional energy, skill, and thrift of the Italian farmer, are serving acceptably the economic reconstruction of the country.

It is yet too soon to prophesy as to the results accruing to Italy from the Fascismo Government, but the poise and ability shown by Mussolini during the first months of his premiership augur well for his success, while throughout Italy there is a wide-spread feeling of hope and fresh aspiration. With the restoration of her northern provinces the country experiences a sense of being, as the people express it, "complete." The recent breaking up of the Communist party and the demoralization of the Red and socialist elements in a country supposed to be the home of radicalism, has shown not only that Russian Sovietism has no chance there but also that labor and capital have a new opportunity for united service to the New Italy.

Youth is now in the saddle. The old slow-moving and traditional politicians, more rhetorical than practical, have been replaced by a young and vigorous leadership, intensely patriotic and not without means to enforce their policies. Italy in a hundred ways has thus renewed her life. Her star is now in the ascendant. "Italy to-day," writes George D. Herron, "teems with the voices, with the clamours and vital forces, with the turbulent over-life indeed, of a new national springtime."

The eyes of the world are upon Italy, and the possibilities in this old race but very new nation are great indeed.

CHAPTER II

THE MAN OF ITALY

There is, perhaps, no country with which we are so intimate as with Italy,—none of which we are always so willing to hear more.

JAMES RUSSELL LOWELL.

THE first means of understanding any country is to know the kind of people who compose it. What traits make Italians Italians?

A British writer has said that the principal business of the English colony in Rome is "to rhapsodize about Rome and revile the Italians."

Thus and not otherwise is it with many travelers who visit Italy with their home prejudices in perfect repair and looking for trouble at every turn. Indeed, it would seem that to not a few writers to interpret a country means to slander it, to play up its monuments, and to deride its people, to characterize populations other than those of one's own land as "foreigners"; such writers when using this word do not usually intend to be complimentary.

Nor is this analysis of national characteristics an easy task. It is difficult enough for a native; thrice difficult for a foreigner. It is so easy to jump at conclusions, to accept a post-card view of a country. In

India I was once told by an old foreign resident that the only way to be sure you had solved the nature of the East Indian was not to meet another, since the next one would upset all of your conclusions. There may be some advantages, however, in an outsider's point of view. "The chief excuse of observation from the outside," says Edith Wharton, "is that it often emphasizes (even if it also distorts) the importance of unregarded facts."

One of the first attempts that the writer or reader must make in the endeavor to acquaint himself with the Italians is to try to secure a Latin point of view; the Italians are Latins and not Anglo-Saxons. It is quite difficult for the average American or Englishman to get outside the Anglo-Saxon standpoint into a Latin standpoint. He rarely can do it entirely, and never to any degree without sympathetic imagination, a will to be tolerant, and some knowledge of the Italian language.

First of all, Italy is a Latin land, and therefore one whose inhabitants are people in whom feelings, emotions and impulses are nearer the surface than among the populations of the colder, crystalline northern countries. Italy is a Latin land, and therefore a land filled with lovers of nature and beauty. Here are naturally, and as though they belonged, sanctuaries of art, sculpture, music, painting, and a penchant for romance. An innate artistic sense possesses the Italian temperament. Fundamentally idealistic, the Italian differs from the American, who, while he has idealism in his soul, is

usually too busy with material things to allow it opportunity to escape.

Italy throughout the years has been a retreat for dreamers, poets, and all beauty lovers. It matters not of what race or tongue, the Italian genius has seemed to discover the vital link of artistic unity. Italy, with its exquisite scenic loveliness, its blue sky, its lakes, mountains, and azure seas, seems to be in perfect consistency with the character of the people. Not like the South Americans, for example, whose country is one for hardy, practical engineers and pioneering scientists and industrialists, the Italians have inherited a smiling land, as charming as the people are amiable, care-free, and happy in disposition. It is common to hear foreigners in Italy speak of the native inhabitants in some of their moods as of children, and in a certain sense youth seems to be a perpetual possession of these sunny-dispositioned people. To the Italians it is always the morning of the world: their gods are sunshine and song. No devastation of nature, no defeats or victories of arms, no political reverses have ever been able to change or reduce their geniality and happy mood. As one said to me, "We Italians do not simply live to work; we work to live, and to enjoy life to the full." One is constantly reminded of the old Italian proverb, when in contact with these people who refuse to take life seriously: "Not every one can live in a palace, but every one can walk in the piazza and feel the sun."

One could hardly choose a better verse to represent

the eternal happiness and gladsome character of the Italian race, these children of the morning, than that of Robert Browning, whose knowledge and love for Italy were quite complete :

I find earth not gay, but rosy,
Heaven not grim, but fair of hue.
Do I stoop? I pick a posy;
Do I stand and stare? All's blue.

But let no one make the mistake of thinking that the men of Italy are merely children when it comes either to fighting or business. If the youth of sunny Italy were only poets and lovers, where did Garibaldi recruit his army? And how did Mussolini break the sway of Bolshevism in Italy? Here is a strong, vigorous nation more interested in modern achievements and in scientific and mechanical progress than in its past, illustrious as that has been at times. The present-day Italian does not want to rest on the faded laurels of Julius Cæsar. He is not unlike the American in his worship of progress and things utilitarian and new, and was it not Dr. Holmes who once said that "the American finds it as hard to call back anything over two or three centuries old as a sucking pump to draw up water from the depth of over thirty-three feet and a fraction"?

The youth of Italy does not bother to go back three centuries, even; the followers of Mussolini date their inspiration from the days of the war and the events immediately following. When it comes to direct, practical action in governing or business, the modern son

of Italy is a man and not a child, nor is he ruled more by specious sentiment than is the American or Englishman when it comes to trading and contracts.

An Italian characteristic quickly discovered is that of individualism. Although the Italian nation comes nearer being united and nationalized at present than ever before, it is always a unity tinged with the independence of the individual. As some one has well put it, "the Italian must find freedom in association or association in freedom, or he will not associate." It is because of this strong individual independence that the dictation of the Marxian or Soviet state has been an impossibility in Italy. The Italian Soviet or Communist would be the first to rebel against a polity or organization that destroyed his individual freedom. The Italian soldiers in the war, we are told, needed to be informed clearly of the reason for fighting and the objective of battle—too truly individual to be ordered about, German-like, without understanding.

Individualism is the key-note to Italian character. The country's glory in the past clusters around individual leaders. The Italians rally to persons more easily than to principles. One may virtually read the history of the great periods of Rome and Italy in the characters of a Cæsar, a Dante, a Mazzini, a Cavour, or a Garibaldi.

It is largely because of this individualism that Italy reveals disorganization as America reveals overorganization. Italy is a land of elastic laws and individual sincerity, a land with much personal genius, with individual saintliness at times as with St. Francis of



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VENICE

Sun-girt city! thou hast been
Ocean's child, and then his queen.
—Shelley

Assisi, of great artistic achievement beginning with her soft and flowing speech and culminating in her vast churches and palaces; but always Italy is a land where freedom of expression and individual ease of life find a natural habitat. It is a country where liberty and individual opinion are still respected, where no "forest of verbotens" are hung up to scare the visitor, and where if by chance a law gets on the statute-books infringing the liberty of citizenry there are no compunctions in disregarding it utterly in daily practice.

"Italy must be made with liberty," said Cavour; "otherwise we must give up all idea of making her."

Italy at present is uniquely attractive to foreigners and especially to Americans because of this lack of restraint upon the individual. Italy has given to her guests escape from the tyranny of public opinion. A freedom from undue responsibility and a chance to recover one's individuality are worth something these days. Edgar A. Mowrer writes:

To-day Italy remains, despite the Fascisti, almost the only country where liberty and opinion are respected, where it is permitted to dissent from current opinion and, within limits, from current behavior. If the country remains true to its innate liberalism, it may come to take the place, once so proudly held and now so tragically abandoned by the United States, Britain, and Switzerland, as a refuge for the persecuted and dissenting, a shelter for the outcasts of to-day who blaze the trail of to-morrow.

Italian laws are administered with the idea of tolerance, particularly as these laws respect the life and conduct of private citizens. Democracy there is in

Italy and in abundance, but it is no "hair shirt." With few restrictions and with no censors of anything, with no speed-laws that seem to be noticed, and with few obstructing rules of any kind, the Italians pursue their highly specialized personal way—truly a land of self-determining adults.

The vitality of the Italians is another outstanding trait. Here is no lethargic, sleepy, or stupid race. It is a vital people, alert, enthusiastic, full of energy and dynamic fire. Activity is a basic law of the Italian's being. Dr. Bowring once wrote to a tyrannous French minister, "Sir, I am calm but energetic." The Italian is seldom calm, but he is invariably energetic. Every active adjective is the epitome of him: enthusiastic, inquisitive, eager, earnest, affectionate, vivacious, loquacious, sprightly, adaptable, acquisitive, spontaneous, extravagant, impulsive, zestful. He is the highly vitalized embodiment of the moving life principle, always livingly creative, seldom static. Modern Italy is no old and worn-out race. Garibaldi was said to possess a "ubiquitous personal energy." The Italians are a people capable of making great efforts. Their unflagging industry and laboriousness are universally known and admired. The dynamic creative energy of the Italians is not surpassed by any race, and these people, wherever found, are exemplary votaries of toil. They add vigor of body and innate thrift to perpetual energy, making a strong combination.

In their most trivial conversation, and Italy has been called "a land of conversation," one gets the

impression of heated, passionate argument, so vigorous and energetic are the gestures and the tempo of speech. In fact, it seems from the rapid-firing conversation that the race is enamoured of words for their own sake; the people not only use energy in their speech but also, as it would seem to the American, many more words than are necessary to express their meaning. The Italian possesses what Wordsworth called "the self-applauding sincerity of a heated mind."

The war revealed this energy and resiliency of the race in a remarkable manner. Few nations would have survived the disaster of Caporetto. The abounding spirit of youth, the quick reaction from defeat, and the buoyant spirit of trusting in to-morrow are all vital Italian traits.

"When Austria launched the great invasion of Italy," writes William K. Wallace, "I was then able to learn something of the intrepid valor of those brave sons of United Italy who marched to their death in the Highlands with flowers garlanded about their dust-covered helmets, a smile on their lips, and song in their hearts. The precise efficiency, the calm demeanor, the stern restraint of officers and men alike in the face of so grave a danger, gave me an insight into the New Italy; the Italy of dynamic, resourceful energy, of deep courage, of buoyant, optimistic vitality."

In this connection it may be observed that there is a vast substratum of patriotism in Italy. Few countries are more entirely and completely saturated with it than this old-new land of the Cæsars. It is likely to come

out anywhere and in the presence of any company—a fierce peninsular patriotism. Interest, that is, vital interest, in other countries is virtually nil, except at the point where these countries enter the orbit of Italy. But, after all, one must be hideously grown up, as Herbert Vivian once wrote, before one learns to prefer the welfare of the world above the interests of his own country.

That politics bulks large in the Italian consciousness becomes clear to any one living long in the country. The Italians are a politically minded people. It is natural for the youth to turn to law, and law here, as elsewhere, is the stepping-stone to politics. The Italians have shown an inclination in the past to subordinate business, sociology, and economics to politics and government. They have raised up masters of diplomacy and have always given much attention to international political relationships. Rome has made laws for the world. Of the three great Italians who had such large parts in the making of the new Italy, Mazzini, the prophet, expressing the country's patriotism, Garibaldi, the soldier, carrying out Mazzini's vision, and Cavour, the astute statesman, who achieved a great political victory with European diplomats, it was the last eminent Italian who illustrated and followed the dominant national bent.

In the cafés of Rome, as well as in other Italian cities, one will find always Italian youths—and these young men are all saturated in politics—sitting half the night discussing fiercely what should and should not be done for the good of the Italian state. The Fascisti,



AN OLD ROMAN GATEWAY

An antique fountain, and a peasantry recalling the ancient East

made up largely of young men, revealed the kind of political and organizing genius the Italians possess when it comes to a patriotic defense of the fatherland.

Neither do the Italians choose politics for direct pecuniary reward. The Italian Government may be a good milch cow, but at least it does not ruin its political servants by direct material compensation. It gets along without paying its senators salaries and pays only comparatively small salaries to its deputies despite the fact that the duties of government devolving upon these officials are at times both onerous and complicated. There are certain perquisites attached to these offices, like free passes on railways and Italian ships, together with the honor of sitting in the seats of a long and historically distinguished line reaching back to the days of the Cæsars—no small honor in Italian eyes.

It is this weakness for official adornment and ceremonious station that among other things differentiates the Latin from the Anglo-Saxon. The Italians are very human, childlike, in fact, when it comes to conferred glories. They like badges of color, glittering altars, and pretty processions. They gild the lily.

"Italy is governed by decorations," said an ex-premier; while Victor Emmanuel II is reported once to have said, "A cavalier's cross or a cigar is a thing one can refuse to no one."

The adherence to outward pomp and formal observance goes along with the Italian idea of politeness and manners, which is the ritual view of politeness, like that of the French. The Italian's deadliest insult

is to call a man "ignorante"—ill-bred. This does not mean that with the son of Italy politeness is a deep-seated trait involving either respect for the rights of others in all cases or a thorough humanitarianism; it is more truly an Italian gesture, the appropriate gesture, the natural accompaniment to their great sense of sociability and deep-seated respect for the individual.

Perhaps one may without impertinence draw attention to another trait impressing foreigners having business dealings with the Italians, and that not favorably. We refer to the national habit of being late or careless in keeping appointments.

The Italian is not only quite universally dilatory in relation to his engagements, but he does not seem to consider the keeping of appointments of any particular consequence. He reminds one of R. L. Stevenson's conception of heaven: a place where one never is obliged to keep any hours. Some one has said that "*carpe diem*" in Italy should be translated, "Take your own time." We have also heard the saying that the name of the "Eternal City" fits Rome because time is of no account in it. This indifference to time is almost too Oriental to be found in Europe, yet it pervades all departments of Italian life. An English friend at whose house I was a guest in Italy, speaking of the time dinner would be served, said, "It is all according to the cook's pleasure, but the hour we name to friends is eight o'clock."

We have heard the quotation in Italy that "Time is

a perfect gentleman," and there seems to be a traditional tendency to believe that it is honorable to be waited for. Anyhow, if one is giving a party to a mixed company of Italians and Americans and is desirous of having all present at the same time, he would be wisely diplomatic in inviting the Italians for at least half an hour earlier than his American guests.

While this trait is shared quite generally with many South Americans and Orientals, from the point of view of modern business interests such dilatoriness is regrettable wherever found; it is one of the small sands in the shoe rendering daily business dealings between Italians and Americans more or less vexatious and giving an opening for unnecessary criticism.

An Italian American of our acquaintance was most outspoken in criticism on this point, saying that when he visited Italy, as frequently he had occasion to do, he made it a point to send his secretary to the office of the man with whom he had an appointment exactly at the hour of the engagement to inquire when the man would be ready to see him. The secretary would return with the message that the man would see him possibly half an hour or an hour later than the appointed time; then there would be ample time to go in his car to the man's office, where he would be received promptly.

No nationality can throw many stones on the point of punctuality; but that the Italian is guilty of unusual inattention to engagements is generally conceded by the Italians themselves. In cases that fell under my ob-

servation in Italy this trait lost business of far-reaching nature in at least two Italian cities from two important foreign business firms; the representative of one of these firms, after waiting an hour after the time of his appointment, left the office in disgust, and did not return. It might be stated that an acquaintance with the country's conventions would alleviate something of this difficulty.

Despite the fact that Italians have sometimes been criticized for undue reliance upon the genius and ability displayed by their ancestors—looking over their shoulders to the past glories of Rome—it is well to remember that the Italians of to-day are a highly intelligent people. In almost any section of professional or business life, the foreigner will find intelligence as a noteworthy trait. Here on all sides to an unusual extent one finds men of culture familiar with the civilization of other countries as well as their own, possessed of a greater degree of historical knowledge than is found generally in our own country, and with a keen bias for international political matters as these relate to Italy. The Italian has a readiness in languages unknown either in England or the United States, the Italian business man being capable quite generally of conversing in French, and often in German and English, in addition to his own musical tongue. One of the first questions an Italian business man puts to the American unable to speak Italian is, "*Parlez-vous français?*"

If one attempted to gather proof of the Italian genius for intellectual or artistic culture, it would take many pages to give the catalogue of the country's

eminent statesmen, artists, literary men, soldiers, inventors, and men of religious and spiritual powers. The whole world is filled with their "spilt glory." The youth of every land have been familiar in their school and college studies with the classic works of Vergil, Cicero, Seneca, and Horace, while the names of Pliny, Dante, Mazzini, Petrarch, and Garibaldi, never forgetting the "divine Julius," as the Italians are accustomed to speak of their great general, have become almost household words in literature and the annals of action. There are also the world-renowned poet-artists of Italy who have spoken to all time on canvas and marble and given immortal fame to their native land in color, form, and expression. Originality abounds here, for the Italian painters and poets were themselves their own inspiration, the dreams of beauty were their own, their own the matchless and fascinating expression, their own the mastery of light and shadow. De Musset characterized Correggio as "*travaillant pour son cœur, laissant à Dieu le reste*"—working for his own heart, leaving the rest to God.

In painting, the Italian imagination and mentality have taken a place in the front rank of world's models. It is sufficient to mention only such names as Michelangelo, Raphael, Leonardo da Vinci, Correggio, Perugino, Giotto, Titian. A long list of names of artists, painters, and sculptors who in any other country than Italy would stand out notably might be given. These men have indeed "torn away the veils from nature and religion"; they have shown us glimpses of the essence of things; as Correggio wrote on his canvas represent-

ing St. John of Patmos, "He revealed more deeply the secret things of God."

In music also Italy has given us Verdi, Donizetti, and Puccini as composers, while a long line of singers known in every part of the world follow in the train of such artists as Tetrizzini, Scotti, and Caruso.

In engineering, the Italians have never ceased to reveal conspicuous genius and ability. One needs but to take a railway journey anywhere in Italy, intersected as the country is with mountain chains, to find the skill of the engineer apparent. As Mark Twain says, an Italian railway journey anywhere in the country is "profusely decorated with tunnels."

One might greatly extend the list of Italian accomplishment of hand, mind, and imagination. In such a catalogue there would certainly stand out such names as that of Savonarola, Machiavelli, Salvini, Cellini, Ferrero, and Marconi—not to omit the name of Gabriele d'Annunzio, Italy's soldier poet who, whatever may be the conflicting views concerning him at present, will doubtless always have a place among Italy's leaders; and certainly one must not fail to mention the last and recently-made Premier Benito Mussolini, spoken of by many Italians as the first premier who has been supported by United Italy, north, east, south, and west.

While it is generally known and conceded that Italians excel in the realm of literature, art, and imagination, it is not so universally accepted or realized that the Italian possesses the characteristics of a highly

successful industrialist and business man. That this is the fact is brought home to the foreigner who takes even a cursory glance at the new, vital development in Italian industry and trade during the last two decades. He who travels in South America, as well as in Italy and the Near East, has no need to be told that the Italian has proved to be a keen, astute, and decidedly adaptable man of affairs. As bankers, engineers, agriculturalists, and, in these latter days, mill owners and manufacturers, the men of Italy have shown traits quite as eminent of their kind as those revealed on the cultural side of the country's life. It must be recalled that the Genoese, for example, have always possessed such ability in trade that the old proverb continues to be quoted: "It takes seven Jews to beat a Genoese." The traditional heritage given to the modern Italian shipper and trader by the earlier Venetians may reveal some reason for the ready adaptability of these people to overseas commerce, ship-building, and export and import trade.

In looking for high-class business ability in Italy along lines of twentieth-century endeavor, it is necessary of course to consider the section where the country's industries particularly flourish. We have often met foreigners in Rome and in certain of Italy's art centers expatiating upon the lack of business ability of Italians. As one would not go to Washington, D. C., expecting to find there the leading industrial and commercial men of America, likewise one should not go to Rome, the Italian capital, expecting to discover the

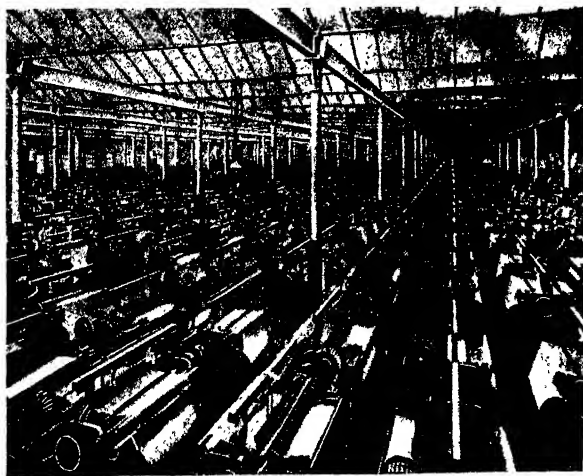
country's leading financial and trade leaders. It may be noted in passing that since the war many of Italy's large industrial houses, together with her big banks, have opened branches in the Italian capital, where business men spend considerable time in connection with concessions and legislative questions relating to their particular trades. In Italy business is more closely associated with politics than in the United States, and we found in Rome American agents of some of our large firms who were spending their entire time there representing their houses in connection with government matters.

It is to northern Italy, to Genoa, Milan, Turin, and Trieste, that one goes on business bent, and there finds the up-to-date men of affairs, industrialists, and manufacturers. Here one will find the Italian organizing and developing extensive cotton-mills and silk-mills, together with scientific dairying and modern agriculture, always with an eye on foreign markets. In Turin and Milan he will be found as a builder of automobiles: Italy has in the Fiat works one of the largest automobile factories in the world. Large ship-building concerns, locomotive and steel plants, together with rapidly increasing electrical enterprises, with large banking concerns, harbors filled with merchant ships, are all here in rapid growth and development in northern and central Italy.

In talking with the men who are developing these business concerns, one gets a new impression of the Italians and their country. One senses, perhaps for



MOLDING ROOM IN A CANDLE FACTORY (VENICE)



LOOMS IN A LOMBARDY COTTON FACTORY

the first time, that this modern Italy, though it began its actual unified existence only about fifty years ago, is rapidly finding itself and developing international relations as a commercial and economic factor both in Europe, Africa, and the Near East, and also in our western hemisphere. She has natural aspirations toward becoming increasingly a great national highway between Europe, Asia, and Africa, through the medium of the Mediterranean Sea. Her modern statesmen are again dreaming of their country's assuming a place in the world's history consonant with the prestige held in the past. Whatever may be the wisdom of Italy's commercial, financial, and political policy at present, it must be admitted that her sons possess the winning characteristics of adaptability, vision, and far-sighted trade sense required for an ever-increasing share of the world's business in the years ahead.

In one of Blake's exquisite vignettes a ladder is represented as set up to a crescent moon from a bleak corner of the universe. Two figures are conversing together, while on the ladder itself, just placing his foot against the lowest rung, is the figure of a man who is beginning to climb in a furious hurry. The simple title inserted beneath the picture is "I want! I want!"

The artist has characterized vividly the Man of Italy: fervid, energetic, determined, aspiring, pressing forward with dynamic force into a new and inevitable destiny.

CHAPTER III

FASCISMO, THE NEW ITALIAN NATIONALISM

Italy (and is Italy alone in this?) has been fed for one hundred and fifty years on beautiful words; and it is my humble opinion that she is increasingly willing to exchange all of her empty victories for a handful of real leaders.

BRUNO ROSELLI.

THERE is a sense in which every hour in a nation's progress is a critical hour, a sense in which every day is doomsday. In a philosophical mind every hour marks the end of an era, and every year sets its sign on a new order of ages. In a certain way a country is always passing through a transition period, and the rapidity with which the life of yesterday coalesces with the life of to-day has often puzzled and baffled the contemporary prophet and historian who has tried to restrict a country like Italy within distinctive epochs.

There comes a time in the career of nations as of individuals, so plain that he who runs may read, when there is a necessary cleavage between the past and the future, and when a people moves forward into a new era. It is such a period through which Italy, led by Fascismo, is now passing, with her national leadership transferred to altogether new and vigorous hands. These new representatives, Benito Mussolini and his

followers, are "supplying Italy with a Government" to-day because for a year or more, since the beginning of 1920 in fact, Italy has been without a *de facto* leadership. To be sure, there have been ministries—a procession of them—all alike powerless to solve the country's critical financial and labor difficulties or to protect her against the devices of outside nations; these so-called Governments have also failed to preserve law and order in the face of all kinds of seditious attacks by bolshevists, communists, and a multitude of forces classed under the general title of Reds.

We were sitting in a café, or rather in front of it, on the broad sidewalk in the Corso at Rome last July with a group of young Italians who were discussing politics and drinking the usual innocuous lemonade. They were youth of the intelligentsia, several of them having served in the war, while two of them had just escaped the active service and now, coming of age, were caught in the wave of patriotic nationalism flowing strongly through Italy since the days of the Armistice.

These young men, while not at that time active participants in the Fascisti movement, sympathized with it, and without doubt, together with thousands of other Italian youths, they were swept later into this order by the socialist strike of last August and were enrolled among the wearers of the black shirt. The conversation of these young politicians—every Italian youth is an embryo politician, and he discusses political affairs as our young Americans grow expansive over football

and the "World Series"—was over the Facta ministry, then nearing its fall.

"This ministry," said one, "is weak and vacillating and belongs to the old régime. Its motto is to please everybody and to play politics. We young men are tired of the endless delays, of all this beautiful talk and excuses for action. We want a Government that has the courage to be one thing or the other, a Government that will execute the law and conserve the things which Italy fought for and won in the war. We want a ministry that will really get busy and do something."

Any one who chanced to be in Italy the following month, especially in the neighborhood of Milan or Genoa, would have concluded that the wish of these young Italians, who, by the way, were representing thousands of their kind, was being fulfilled with a vengeance. The socialists and communists called a strike on railways, on street-car lines, and in a large number of industries. The Fascisti immediately informed Rome that unless the Government intervened to break the strike within twenty-four hours they, the Fascisti, would run the cars themselves and turn strike-breakers. The Government, as in the industrial strike of 1920, when the socialists seized the factories of North Italy and tried to run them, did nothing, remaining passive or neutral, and the Fascisti kept their promise. They sent out a nation-wide mobilization order for their four hundred thousand or more active adherents at that time, and within a week they had broken the labor strike which was expected to prevent twenty million

Italian workers from keeping Italy going and was to have affected stores, trains, factories, mails, hotels, telegraphs, telephones, street-cars, schools, newspapers, banks, restaurants, street lighting and cleaning, milk deliveries, hospitals, cemeteries, carriages and taxi service, and in fact every phase of the country's civilized life. They had also routed and largely destroyed the power and influence of the socialistic and communistic forces of Italy.

On the morning of August 2 we were awakened in our hotel at Milan about six o'clock by the voices and cheering of hundreds of people gathered in the great square before the Milan cathedral. Looking out of our windows we saw half a dozen trolley-cars swinging into the wide plaza, all manned with black-shirted Fascisti, the cars having their sides draped with tricolor and Fascist emblems, Fascisti at the motors, Fascisti as conductors, and even some of the more enthusiastic of the young men of the order riding on the roofs of the cars crying, "Viv' i Fascisti!" The square was filled with citizens seemingly of all classes, and the national hymn of this vigorous order was being sung. The applauders were evidently of both the employer and employee classes, leaving little or no doubt as to the state of public opinion. We wondered at the lack of resistance to the strike-breakers on the part of the socialists. Possibly the vigor with which the Fascisti went to the attack overawed them, or they may have read the signs of the times during the preceding months when the new Mussolinian legions were daily enrolling

new recruits by the hundreds with which to fight radicalism and all forms of bolshevism in Italy.

There were some fatalities and many broken heads as a result of this strike-breaking, for the "black-shirts" were like bloodhounds on the trail of any communist or radical who showed himself in public. In Genoa the Fascisti stormed the socialist headquarters, and the streets for a day or two were swept clear of pedestrians, while armored cars and machine-guns and bands of fierce-looking youths, carrying clubs and wearing their death's-head belts, filled the main thoroughfares. It was clearly a case of class war, with the radicals on the defensive. The Fascisti accepted the challenge of Marxian socialism, driving it to cover by the use of its own rough and violent methods, and doing it first.

As I came out of my hotel one night in Genoa during the disturbances in August, I was just in time to see a group of young Fascisti who had caught sight of a communist leader sneaking down a side street. A whistle blew, and in an instant Fascisti seemed to spring up from every quarter of the square and were hot on the trail of the Red, driving him to cover and, as we learned later, making it necessary for him to be sent to a hospital for repairs. Under such conditions it may not seem queer that there was a heavy drift of radical workers toward the Fascisti camp. During this strike in the summer of 1922 and before the successful Fascisti coup at Rome, the leaders of the revolutionary uprising state that their ranks virtually

doubled; in fact, it is asserted that the Fascisti as they marched into Rome could have mustered a million members of this unique order, whose aims were first and foremost to free Italy from radical elements and replace an incompetent Government with one capable of prompt action and summary execution of the law.

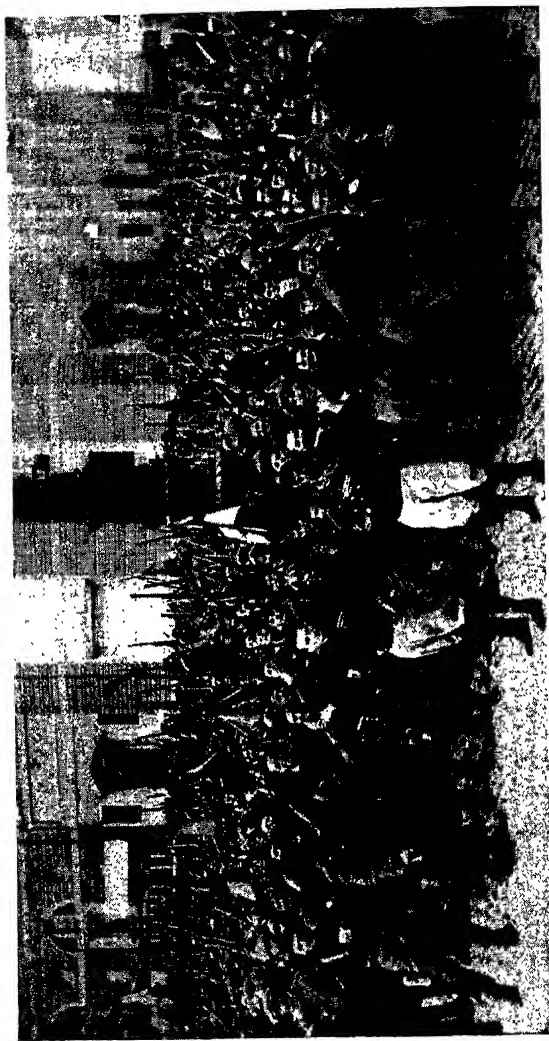
"The Fascisti movement," in the words of their leader, "is the awakening of Italy to a full sense of its own greatness and destiny as a nation. Its appeal is always and essentially to the patriotism of the Italian people as an Italian people, and it purposes at any cost, even at the cost of democratic conventions, to crush any tendency that may threaten to drag the Italian people into the morass of socialism, bolshevism, and internationalism."

That Fascismo has made a thorough-going start toward this objective is revealed by the fact that while the Socialist party in 1920 had two hundred and fifty thousand members in Italy and was decidedly powerful throughout the country, after this momentous August their numbers were reduced to seventy thousand, while the Communist party has been dissolved. Socialistic newspapers in Rome were obliged to close their doors, and the radical element, so inimical a short time ago to the peace of Italy, was thoroughly demoralized.

This change has come about, not merely by the force of Fascismo, but also because the people of the country have seen socialism given a chance to do something for Italy and found wanting. For a time the Italian Socialist party enlisted the sympathies as well as the

support of the Italian youth, but when it fell under the influence of exotic Marxism and became dominated by a foreign Sovietism, the Italian people were disillusioned and were ready to follow a leader more in line with the country's ideals and temperament. Even a Red leader would have carried the Italian people with him provided he had proved his capacity for reconstructing the state along Italian lines.

Socialism, however, with its tincture of pacifism, made its first mistake in fighting the war and thus contributed to the disaster of Caporetto. Later on, it fell into the hands of the extremists, and a dictatorship of a minority was planned and attempted while the nation as a whole was apathetic but by no means converted to Bolshevism. In the words of an Italian writer, "In and out of Parliament a Socialist party conducted a campaign against the state, centering its fight against the middle class, which it considered impotent and cowardly despite its numerical majority; it also attacked the army as a creature of the bourgeoisie, its partizans even assaulting inoffensive officers and tearing off the military decorations worn by soldiers mutilated in the war. Essentially industrial and urban in its constituency and organization, it made little headway with the peasants of southern and insular Italy, who, as Catholics, preferred, if there must be a change, the less indefensible agrarian 'Christian Socialism' of the Popolare or Catholic Left, to the Bolshevism of the industrial and anti-religious Socialist party."



Wide World Photo

THE FASCISTI "TAKING" ROME IN A BLOODLESS REVOLUTION

There is law that makes for lawlessness and there is lawlessness that makes for law.—Nicholas Murray Butler

The Socialists had their chance, and they lost it by chaotic and demagogic practices. They failed to divine the character of Italian public conscience. The Government gave the Socialists more freedom than any other government outside of Russia has ever given them. Processions carrying red flags were allowed to march the streets of the national capital undisturbed. Red literature of highly sensational and inflaming nature was permitted. When the Bolshevik labor section took over the factories of North Italy in 1920, the Government did not lift a finger to stop them. Newspapers were printed flouting the Government and emphasizing the weakness of the Italian system of civilization. The disapproval of the socialists of the wearing of war medals by the officers and soldiers of the regular army caused the Government to advise that such medals be not worn in public. In Genoa Harbor it came about through the dominance of the Socialist party that no ship could be loaded or unloaded by men who were not members of their union. We have jailed in the United States, or deported, scores of men for sedition of much less consequence than certain Radicals have flaunted with immunity before the faces of Italians during the last four years.

More than all, the Socialists failed, as the Fascisti have succeeded, in winning the sympathy and support of a highly romantic people, loving adventure and change and easily aroused to follow the leadership of strong, vigorous, and courageous personalities, especially when it is intuitively felt that these persons stand

upon the Fascisti's simple but thrilling platform, "To Save Italy!" Some Italians have spoken of the Fascisti as a necessary evil, to snatch Italy from its twofold menace, Bolshevism and a Government dominated by state socialism, spineless, compromising, and perfectly inadequate, passively accepting dictation from almost any quarter, never vital, never dominating. Cabinet after cabinet came and went, and did not have courage to face the situation but fell back upon the evident easy policy of *laissez-faire*—a Government that talked but did not act.

In judging this movement it is necessary to keep in mind the four leading political groups of Italy. These groups are broken up into smaller parties in certain cases, but in the main the political thought of Italy may be considered in four distinct divisions:

1. The Radicals or Reds, consisting of socialists, communists, and those of their ilk.
2. The Conservative or Liberal group, the section that has brought Italy to her present state.
3. The Popolare or Catholic party, composed of Catholics, but not merely a Vatican party.
4. The Nationalists, with whom the Fascisti have particular sympathy and whose fervent patriotism for Italy furnished a rallying-point for Fascismo.

Of these groups the Reds were by far the largest, comprising six subdivisions and including almost every stripe of thought from extreme Bolshevism to extreme state socialism. The Conservative or Liberal group with its rapidly changing cabinets has been known in

Italy for some time chiefly for its weakness and incapacity; and it is this section of political government that the Italian blames for Italy's failure to secure what he deems to be her just rights from the war, as also for a lack of courageous action against Bolshevism which threatened more than once to engulf the country.

The Fascisti were fortunate in having a real out-and-out leader who dared to do what the Government could not do, or at least never made the attempt to do; and while they talked at Rome, Mussolini went ahead and demolished Bolshevism. In Bologna the Fascisti put up a sign after breaking the strike and restoring order: "Strikers, the Government may forgive you; we don't!"

We have called at different times such crusaders as these our vigilantes or "minute-men." They were Italy's special deputy sheriffs, her modern Legionaries, and a second edition of Garibaldians. The "New York Tribune" published an article describing the Fascisti revolution, illustrating it with a drawing of Garibaldi leaping from his statue in Washington Square and, sword in hand, giving evidence of his readiness to join with his brothers of a later generation for a second liberation of his beloved Italy.

It is not easy for the American or the Englishman to understand how such a bloodless revolution could come about as that which marked in Italy the last days of October, 1922, when, over the ruins of a ministry forced out by threat of violent seizure, a large composite army representing students, peasants, indus-

trial workers, sons of wealth, and sons of shopkeepers, farmers, nobility—an army even more picturesque than Garibaldi's famous thousand—entered the gates of the historic Roman city, borne along on the applause of the multitude like some heroic Cæsar and his legions returning from their wars. It was certainly Italy's *Settimana Maravigliosa*, her "week of marvels." After Mussolini had demanded the control of the Government, Premier Facta and his cabinet showed some signs of life and were for using force against the dauntless leader. He placed before the king for his signature a decree proclaiming a state of siege throughout Italy. It is fortunate that Italy had a really great and sensible man in her chief seat of power. The king refused to sign the decree, sent for Mussolini, received this new Liberator at the palace, and tendered to him the premiership, after which it is said the king embraced him and said to the people, "I am persuaded that with the best energy, enthusiasm, and faith of the country enlisted, all will go well!"

In passing judgment upon such vigorous methods in hastening the steps of lethargic democracies, it must be borne in mind that Italians are not Anglo-Saxons, neither is their attitude toward parliamentary and constitutional government the same that exists in Anglo-Saxon lands. In fact, certain phases of the constitutional kind of government are exotic importations into Italy, and the Italians in this particular case, as on former occasions, simply reverted to their own temperamental and characteristic method of bringing

order out of a chaotic situation. It has been truly stated that there are at times certain laws that make for lawlessness, and certain lawlessness that makes for law.

The Italian is not frightened so easily as the Anglo-Saxon in breaking laws, especially when laws and government cease to function and leave citizens unprotected. He is accustomed to chameleon-like political changes. In this case Parliament had not only failed to act for the country's welfare but had been used as a tool of oppression by more than one premier since the war to play into the hands of Italy's enemies at home and abroad. It must be remembered also that Italy, the freest country perhaps in the world to-day, is not to be measured too rigidly by the old yardstick of political theories. The Italians, especially the youth of Italy, are representative of those new forces operating in more than one place in Europe these days and defying ancient and traditional formulas. As a revolt of the middle classes and a rising up of youth in a new renaissance, Fascismo is active in many places in Europe, and this new life contains some of the most hopeful signs of European revival and reconstruction.

Dangerous though the precedent may seem to those who look at Italy from the point of view of our more conventional type of representative government, there is no doubt about the universal sympathy and support that follows Mussolini, not simply from the Italians but from many other sections of the world, because he represents and exemplifies courage, sincerity, and out-

and-out reality. His is no simulacrum of power, no secret diplomacy, no posturing; Mussolini knows precisely what he wants, and he goes after it. He will not have easy sailing, especially if he tries to introduce his vigorous and plain methods into his foreign policy, as he deals with the old-time politicians of Europe. Nevertheless, if all signs do not fail, Lord Curzon and Poincaré will not be the only high officials and diplomats of Europe who will find it necessary to go to Italy rather than, as in the past, expecting Italy to come at their bidding. Whatever happens, Mussolini and his vigorous thousands have given Italy and the world at large one of the most extraordinary episodes in the annals of modern politics and national procedure.

In order to understand this movement one needs to go somewhat into the genesis of Fascismo as it arose in Italy and proceeded to the great Roman triumph of October, 1922. The Fascisti did not originally anticipate any such national prestige as the force of circumstances thrust upon them. They began with a more or less loosely organized band of ex-soldiers, shock-troops, who were determined that the war's sufferings and tragedies should not go for naught. With many other Italians these early Fascisti, who began to organize shortly after the Armistice under the leadership of Mussolini, felt that Italy had failed to secure just treatment at the Versailles Conference, and they were particularly desirous that the country for which they had fought should secure its rightful place in the sun.

The constituency of which Benito Mussolini is the dominant head was composed in its active force not of ex-soldiers only but of Italian youth between the ages of fifteen and twenty, who just escaped participation in the war but were caught in the wave of national fervor and patriotism attendant upon the home-coming of the soldiers. These young men, eager, enthusiastic, and imaginative, were ready and desirous to attach themselves to any animating movement intended to increase the welfare of the country. Behind these young men and the ex-soldiers were responsible business men, shopkeepers, modest landowners, professional and professorial classes, industrialists, and a large throng of sensible and average men. The aristocracy was also represented—a Fascista has been called a spiritual aristocrat—and many heads of the famous titled houses of Italy were proud to be allied to this order. They considered Fascismo a means of saving and regenerating Italy, an extremely important police system strengthening the hands of the Government, and a sheet-anchor of safety in times of troubled relationships between laborer and employer.

Thus there arose in Italy shortly after the war various anti-Bolshevik clubs and then a somewhat more formidable body called "Associazione dei Combattenti." This latter organization was made up of the more zealous ex-service men with some of the representatives noted above. This body took the name "Fascisti," harking back to the ancient Roman days of consular power when the lictors bore the *fasces*, a

bunch of rods bound together with the ax, before the Roman magistrates.

The Fascisti organization revealed careful planning and was favored with decisive leadership. It opened employment offices, rendered services in relation to the sale of lands, always without fees, and found itself in vigorous working order in September, 1920, when the metallurgical industries of Piedmont and Lombardy were seized by the socialists in the attempt to run them independently of the employers. This act brought consternation to Italian financiers and industrialists, with the result that the Fascisti's ranks grew apace, since they seemed to be the only hope of restoring or maintaining order against the Bolshevik element. Here the Government had its chance but failed to act, allowing seizure of factories, plunder, and sabotage to run their course.

It was at this time that the Fascisti began to assume proportions and certain of the characteristics which have made their order seem similar to the Ku-Klux Klan. However, there was little or no secrecy associated with their work as in the case of the Ku-Klux Klan, while, on the other hand, these active and earnest men were first of all fired with patriotism and were enlisted, as they said, "to save the soul of Italy." Mussolini used with his men Garibaldi's famous dictum, "I promise you hunger, struggles, and death!"

In Florence the Fascisti were frequently reported to have captured socialist and communist leaders and, under threat of violence and even death at times,

ordered them to induce their men to go back to work. The engineer of a large power-house was seized by the representatives of this self-appointed police and notified that if the lights of the city were not restored within an hour's time both he and his family would suffer the consequences—death.

It is needless to say that such pressure brought to bear by armed men usually had the effect of producing prompt action. In certain cities the work of the Fascisti in its earlier days was decidedly for the benefit of the community, as in the case of the strike of the peasant laborers at Ferrara at the moment when the harvest was being gathered. The Fascisti appeared upon the scene, gathered the harvest, and then nailed a notice to the church door warning the strikers that the Fascisti had been there and accomplished the job and that, moreover, any reprisals against the landlords would be met with instant death.

The Fascisti methods were both vivid and unexpected, agreeing with the Italian love for the dramatic and the picturesque. The massing of large numbers of this organization in the midst of socialist or communist uprisings was a popular method of impressing the enemy. When trouble arose in the vicinity of Florence, the Fascisti organized a parade calling in their adherents from the surrounding country and marched more than twenty-five thousand armed men through the streets of the city.

The Florence correspondent of the London "Observer" describes in a vivid way the manner in which

Mussolini's forces took possession of Cremona, a socialist city lying in the Lombard plain close to the River Po. One morning the people awoke to find their numbers suddenly increased by the addition of thirty thousand Fascisti—

Youths in black shirts and black fezzes, skull and cross bones as their emblem, their motto "Me Ne Frego"; and young girls in short black skirts, white blouses, and jockey caps made of tri-color. The loggias flanking the Cathedral were soon crowded with people; boys sat astride the grim medieval lions and heads looked out of the small windows above the giant sun-dial, while thousands of Black Shirts streamed into the piazza for an hour and a half in well-ordered formation. With his habitual quiet rapidity, Mussolini suddenly appeared in the stone pulpit affixed high up against the pier of the Communal palace, whence demagogues of old had swayed the people of Cremona. There was a roar of welcome: "Il nostro Duce!" and the banners were raised on high and waved above the crowd.

"How like he is to a Roman Tribune," exclaimed an officer as Mussolini stretched out his arm to the crowd, saluting the people in the Roman manner adopted by the Fascisti. His powerful head was thrown back, his stern eyes fixed them all as one person. I was more impressed by the religious silence which fell upon the multitude when Mussolini began to speak than by the indescribable enthusiasm when cheering broke loose. He is a great speaker, not an orator. He dominates his audience more by the sheer force of his volcanic personality, which is well under control, than by the force of words. The young men in Italy, full of intense zest for life, and of truculent patriotism, would follow him anywhere at the lift of a finger. In this absorbing love for Italy and pride in her lies their strength, their virtue and their danger.

As the movement increased in numbers, power, and responsibility, the spirit of nationalism and loyalty to Italy grew to such a degree that the Fascisti have been likened to the ancient samurai of Japan. With the highly successful quelling of the socialist strikes in North Italy and the consequent enlargement of the Fascisti ranks, fears were expressed both in Italy and outside in Europe that the Fascisti might consider themselves stronger and more important than the Government. That this fear was not unfounded was proved when at the big Fascisti meeting in Naples in October, 1922, Mussolini, the knight-errant of Fascismo, warned the Government, led by the somewhat vacillating Signor Facta, that the Fascisti were about to demand the control of Italy either by peaceful means or by force.

"We design to rule Italy," said Mussolini; "we shall free the state from its socialist and democratic incrustations; and we shall create a state that can say of itself with confidence, 'The Government does not stand for any party, but for the whole community. It embraces all, and turns against any one who attacks its absolute sovereignty.'"

In a sense it is true that Mussolini is the first premier who represents truly United Italy, who has drawn his adherents from every section, and who is not merely a choice of a small political group in Rome or a coalition, compromise premier.

Upon being made premier, Mussolini lost no time in choosing his cabinet and began immediately to admin-

ister the affairs of his country. No dictator could have shown more despatch or confidence in himself or his powers. His coalition Government included as ministers five Fascisti, three Democrats, two Catholics, one Nationalist, and one Liberal, with General Diaz, the Italian Pershing, as minister of war, and Vice-Admiral Thaon di Revel, minister of marine. Mussolini avowed that he was forming a Government and not simply a ministry, stating his program in brief:

"Our policy in internal affairs will be one of strict economy, discipline, and the restoration of our finances. The Fascisti movement, which began as bourgeoisie, now has become syndicalist, but a national syndicalist, taking into account the interests of workmen and also those of employers and producers."

As to foreign policy, Mussolini will be closely watched by the nations of the world. The continental and British press, which regarded with some concern the seizure of the Italian Government by the Fascisti, expressed the fear that this new Cæsar might stir up trouble by demanding Dalmatia, and starting fires that might again kindle the Balkans and arouse more conflict in the Near East. British opinion, always keen for parliamentary authority, appeared somewhat doubtful as to an organization which seemed to act contrary to the regular methods of democracy and self-government. The "Daily Telegraph" spoke of the course of events in Italy as the "supersession of constitutional methods by organized force," while the English "Outlook" characterized the episode as "Italy's school-boy's

coup d'état." There were many throughout the Continent of Europe and in England, as well as in the United States, who considered Fascismo in the manner in which Hilaire Belloc regards it, as a triumph over flaccid, worn-out, and slow-moving institutions.

"The triumph in Italy of the revolt against parliament," writes Belloc, "is by far the most significant thing that has happened since the Armistice, and it has two aspects: its meaning in Europe as a whole; its meaning to us here in this country.

"To Europe as a whole, it is a warning to the parliamentary humbug, with its secret, plutocratic control, its tiresome, corrupt mediocrities, its gross corruption, and its cynical contempt for popular liberties and the popular will.

"Some one had to kill the cat, and the Italian courage has done it. It will reap a great reward."

Mussolini's attitude in his first interview with Monsieur Poincaré and Lord Curzon revealed the existence of his independent policy as far as other nations are concerned. "I did not come merely to enable the Allies to reach an accord," he told the correspondents; "Italy is no longer the slave of the Allies." Nevertheless, Mussolini's sense of coöperation was so satisfactory that Poincaré declared that the three nations "were firm in the common resolution to settle in the most cordial friendship and on a basis of equality of the Allies all questions which are to be treated by the conference at Lausanne."

Mussolini is doubtless too wise to set himself up against the hegemony of the Anglo-Saxon races and

the present continental strength of France. He reveals a desire for cordial understanding with all nations.

"We intend to follow a policy of national dignity in our relations with foreign countries, not a policy of adventure but one of friendship to those nations displaying friendship for us."

Relative to the United States, and especially on the subject of immigration, the Fascisti leader is quoted as saying:

"Please don't quote me as wishing to give advice to the United States, because my hands are full right here, but I think her policy toward Italian immigration might be improved.

"It seems to me that 42,000 Italians constitute a very small quota to be permitted to enter the United States yearly, considering what hardy workers the Italians are. Perhaps if a careful choice of emigrants, especially of agricultural workers, were made on this side of the water, and the United States would permit only picked men to land on her shores, it might prove of benefit to both countries. This is one matter my Government intends to take up with the United States."

Mussolini reserved for himself the grave responsibility and the arduous task of shaping both internal and foreign policies, accepting personally the portfolios of the Interior and of Foreign Affairs. As a rule, the Fascisti leader gathered about him new and untried men, together with intelligent youth, and this very feature of his policy gave him a certain measure of support in a country where the people are weary enough of misgovernment and of the suave, ingrati-

ating, smooth politician versed in the art of rhetoric and tact, but short on action. Mussolini, in fact, has been pictured as a modern Coriolanus, frank, even blunt and direct in his way, welcomed in an age when time-serving is the method of so many politicians. Immediately after becoming premier he gave his laconic order to his new ministers in three words: "Get to work!" Industry throughout the country must be speeded up, and economy must be the watchword of every department of Government. In his first address to the Chamber of Deputies the hallowed precedents of the Italian Parliament were quite shattered by his point-blank candor. "What I am doing to-day," said he, "is a formal act of courtesy toward you for which I do not desire any special expression of gratitude!"

In true old Roman spirit he told Parliament that with his army of carefully trained men, fully equipped for war, he might well have closed Parliament altogether, and he made it very clear that he expected to have a free hand during the next year to put into being his bureaucratic and fiscal reforms. These reforms aim at the very root of political privilege and state ownership. He would take the railways, telephones, and postal services out of the hands of Government, relieving the state of the large deficits that have followed in the train of the government ownership and administration of these utilities. He revealed a daring that no ministry in years has had in thus promising to throw out of employment thousands of persons who have been parasitically attached to these government public

services, but who have been absolutely superfluous so far as the need of their presence was concerned. We have heard it said repeatedly in Italy that it would be difficult to take the railways out of the hands of the Government, since private ownership would require and demand a large cutting down of the pay-roll, and the men thrown out of work would cause a revolution. Mussolini has evidently guarded against this event by placing himself in a condition to meet such a revolution with armed forces if necessary.

Thus there comes into well-nigh unlimited and dictatorial power a new leader of Italy, possessed of unique and unusual characteristics and deportment. The man who went to Rome "to meet the triumph and troubles of a Cæsar" and became the man of the hour in Europe is worthy of study as to his personality and principles.

The inspiration and the practical genius which brought together literally millions of Italy's virile, intelligent, and effective population under the Fascisti banner were furnished by a man only thirty-nine years old, by far the youngest premier Italy has ever known, an ex-Socialist editor and agitator, now a thorough-going Nationalist, looking first and foremost to the reconstruction of the Italian state.

Benito Mussolini has led a varied life. According to his own statement the present prime minister of Italy never went to school but worked as apprentice to his father, the village blacksmith, and then started a forge of his own in the neighboring village of Dovia in



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PRINCE GELASIO CAETANI

Recently appointed Italian ambassador to the United States by King Victor Emmanuel III, at the suggestion of Premier Mussolini. He was graduated from Columbia University in 1903 and practised engineering in the United States.



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BENITO MUSSOLINI, PRIME MINISTER OF ITALY

Our Government has built its strong foundation in the very conscience of the nation, and it is supported by the best, the latest, of Italian generations—the new life of Italy.—from the premier's address to the Italian Parliament.

Romagna. This village evidently had a bad reputation as a center of revolutionary Socialism, and the young Mussolini early evinced powers of leadership by heading a group which had conflicts with the police.

By devoting all of his spare time to study, the young Socialist was able to obtain a diploma as elementary teacher, but after six months of teaching in Italy he set out to see the world. "I was," he said, "a restless, quarrelsome youngster. Time after time I came home with my head cut by some well-aimed stone. But I always knew how to revenge myself. I was a very bold stealer of fruit and a poacher, and on one occasion I stole some decoy birds from a bird-catcher's net. He pursued me all the way down the hill and through a stream, but he could not make me give up my prey." A turbulent youth was thus manifesting the characteristics that have made him the most marked man in Europe—the characteristics of a man who will not give up and who does not know what it means to be afraid.

He visited Switzerland when he was nineteen years of age. Reaching the Swiss station he discovered that he had only two lire and ten centimes, which he spent for food and continued his travels on foot. He preached his revolutionary doctrines, and here, as in his home town, he came into contact with the law. Once he decided to spend the night as best he could in the dried-up bed of a stream, and awakening in the morning he found a policeman looking down upon him from a bridge. Being unable to satisfy the arm of the

law as to identification-papers, he was placed in jail and shortly afterward expelled from the country.

Returning to his native province of Romagna, Mussolini set out to organize a revolution, informing labor that it was wasting its energies on strikes and should adopt more direct action. "You all have strong arms," he shouted to his colleagues on one occasion, "but no head. Here is a head for you, mine. Revolution and at once!" Leading the Socialists to the railway-station for the purpose of taking possession of it, they were confronted by troops and cavalry, and his Socialist followers deserted him.

Deciding now to try his fortunes elsewhere, Mussolini went to Austria, where in Trento he began an Italian Socialistic-Irredentist movement which again landed him in prison. It was here that he decided his future career: henceforth he would be an Italian first and a Socialist afterward. Returning to central Italy, he became the editor of a Socialist paper called "Class Warfare." He soon made his reputation, and his virile powers of leadership manifested themselves. He protested vehemently against the Libyan war, believing it to be against the interests of the workers of his country. For these efforts he brought about a general strike as a protest, which led him again to prison, where he spent his time in writing a book. He had already to his credit earlier literary work, including a book of short stories and some indifferent sonnets.

Later, as editor of "Avanti," the leading Socialist paper of Italy, whose circulation he increased from

twenty thousand to one hundred thousand, he reached the zenith of his power as a Socialist, and with the breaking out of the European War his socialist career came to an end. Mussolini had always displayed that element which to the Bolshevist was disconcerting—an affection for his country. He discovered in 1914 that nationalism meant more to him than internationalism. In November, 1914, at the Socialist Congress in Milan, he threw down his challenge to the Socialist party by crying defiantly:

"I tell you that from this moment I shall never forgive or pity any one who, in this tragic hour, lacks the courage to say what he thinks for fear of being hissed and hooted down."

In response to this statement Mussolini was virtually hissed and hooted out of the Socialist party. From this time on, the Socialists and Radicals were arrayed strongly against him. It was this opposition which brought out the elemental power and courage of the man who has rightfully been said to belong more truly to the Rome of the Cæsars than to the Rome of the Giolittis. Henceforth all that he did was done in the truly Italian fashion on a magnificent scale. Without self-consciousness and with nothing trivial in his thought and bearing, Mussolini, from this time on, became rapidly the embodiment of the courageous ideals of the new and patriotic Italy. At many a period he faced extreme danger and threats, but at no time did he show the least fear or a diminution of his deter-

mination to carry through his policy against the subversive elements in his country. He supported d'Annunzio in his sensational campaign at Fiume, as he considered this movement a counter-blow to the indifference and degeneration of national ideals on the part of the Socialists. After his first defeat politically, in the early part of his campaign, when the Fascista ballot was submerged by the socialistic wave that was flowing through Italy, he was pictured as sitting one day in his editorial office while the Reds in menacing crowds were shouting under his window: "A morte la borghesia. A morte Mussolini. Viva la Russia." ("Death to the bourgeoisie. Death to Mussolini. Long live Russia.")

One of his followers writes that in the midst of such a scene he called upon Mussolini at his office:

He sat before his desk in a modestly furnished room, of which the major piece of decoration was a wall-map of Italy, with a tiny Tricolor pinned on the spot marked Fiume. On his table stood a large glass of milk, which Mussolini stirred now and then with a spoon; near by, creating a most extraordinary and interesting contrast, lay a large quartermaster's pistol of ancient make. The cries from the street became increasingly menacing: noise of police and the crisp loading of muskets. Mussolini, as he stirred and sipped his milk, remarked: "They are yelling and howling, turning the world upside down with their noise, but under their flags and their banners they are a herd of imbeciles. And don't think for a moment that they would dare come up here. They know that if they came after me, I'd get at least two of them with this pistol. And in Milan there are not two of them heroic enough to face danger. Hence I drink milk."

Thus the great war changed Mussolini from a Radical to a Fascista. He was expelled from the Socialist party because of his attitude toward intervention, and he then devoted his entire energy to persuading Italy to come into the war on the side of the Entente.

He was wounded in the war, decorated many times for his courage, and finally, being incapacitated, returned to Italy and to journalism, founding the paper "Popolo d'Italia," the Fascista organ, as a deadly enemy of Bolshevism and the communistic menace that threatened Italy in post-war days.

Theodore Roosevelt, speaking to his classmates at Harvard one time, said that there were two kinds of men who usually made a success of life. One was the thoughtful, highly intellectual man who gained eminence by his mental superiority; the other was the man of action who became conscious of what every one realized ought to be done, and, while others were talking about it, he went ahead and did it. Mussolini, while not lacking in ability, was distinctly representative of the latter type of man during his fight against Bolshevism and weak government. "Either they give us the Government," he cried, addressing the Fascisti at Naples on October 24, 1922, "or else we fall upon Rome and take it." His decision was always immediate and clear-cut. When the war broke out Mussolini said, "I am a Socialist, but before being a Socialist I am an Italian. I am against war! but now that my country is at war I know that it is better to win than to lose."

This man of force and intelligence, whose leadership has reduced in three years the Socialist and Bolshevik party of Italy from half a million registered members holding 153 seats in Parliament, forming the largest group in the chamber, to a membership of seventy thousand with a practical annihilation of the Red forces, has come to power with a carefully thought out plan. "The Manchester Guardian" for October 19, 1922, stated in a comprehensive way Signor Mussolini's program as given to a correspondent of that paper. It furnishes one of the best means to judge of the character and possibility of Italy's Premier:

"I am keenly desirous of peace and reconstruction. I know that Italy needs a restoration of order, needs to get back to work. But only through our intervention could the ground be cleared for a political and financial situation in Italy worthy of her great sacrifices for the Allies' cause. Twice we saved our country—first when German militarism threatened her, and secondly when the Italian Bolsheviks had erected their infernal machinery. In both cases the Fascist party did a great service to Europe and to the whole world.

"Italy's present government is powerless. The present Chamber of Deputies will never allow the formation of a strong cabinet which could seriously and energetically attack the vital problems which face us. Only the Fascist party is giving clear evidence of its patriotism and its determination to rescue this country from the present impasse. The Government must understand that the time has come to call upon the Italian people to elect a new Chamber. Should the Cabinet fail to do this we shall take drastic action.

"Our subsequent policy will be inspired by the love of our country and of the working people. We shall call a general election as soon as the normal activity

has been restored. I feel certain, however, that the government will realize our strength and our single-minded desire to obtain freedom and peace for all and for every political party. . . . As a member of a Cabinet with a Fascist program I shall at once intimate to the Italian people that bloodshed must cease. Every one must work and act for the welfare of the country. There will be no reason for the continued existence of the "black shirt" army. They must obey my orders and keep the peace. In common with all other Italian citizens they must abandon political antagonism in order to serve the great common cause, the welfare of our beloved country.

"I love the working classes. The supreme ambition and the dearest hope of my life has been and is still to see them better treated and enjoy conditions of life worthy of the citizens of a great nation. They have a just claim to humane conditions and to a reward proportionate to their labor. But men have duties as well as rights. I can not admit the classic Marxist conception of socialism, and I deny that the welfare of the proletariat can be obtained through the principles of Marxism. I do not believe in the class war, but in co-operation between classes. The Fascist government will devote all of its effort to the creation of an Agrarian Democracy, based on the principle of small ownership. The great estates must be handed over to peasant communities; the great capitalists of agriculture must submit to a process of harmonization of their rights with those of the peasants. Our policy will be entirely liberal. We shall be glad to accept the collaboration of all, even of our opponents, but I want the Italian people to understand that our conception of liberty implies a severe national discipline. The rule of the Fascist party is to give an era of liberty—provided, of course, that all parties understand that this liberty must be entirely devoted to our country's welfare.

"The most energetic measures will be taken to deal

with the financial situation. We must spend less and earn more. The budget will be balanced as speedily as possible. We can not afford to import thousands of tons of wheat every year. The people must eat less bread. All State expenditure must be ruthlessly cut down. Our motto will be the utmost economy. If the situation should call for it we shall return to the war time system of bread cards. . . .

"I shall accept the heavy task of ruling the country only because I know that Italy can only be saved through our patriotism and our energy."

Fascismo is thus an indication of the spirit of the New Italy. The Fascisti stand for restoring the authority of the state by seeing to it that the laws on the statute-books are enforced. Not being able to accomplish this by legal methods, they used the implement of revolution. For a long time they tried to shame the Government into action and the exhibition of a little backbone. It is reported that during the Genoa Conference the Soviet delegates endeavored to have a Red guard; the Fascisti representatives informed the Government that this should never be and that if a guard was not furnished by the Government itself, they, the Fascisti, would furnish it. Fascismo took the position that the time had come for a radical revision of the functions of the state which cannot longer live within the absurd limitations of a priori theory. The Government must be guided by the voice of the people. "Either the state must absorb Fascismo as a lymph from which to form a new state, or Fascismo will absorb the state."

At present throughout Italy, as in fact quite generally throughout the world, the question is being asked: "What will Mussolini do? Will he be as successful as statesman, diplomat, and administrator as he has been in the rôle of agitator and soldier?"

The task confronting him in the newly united Italy involves subtle and complex elements. Mussolini's task is no child's play. It is easier to make revolutions than to construct stable governments. The acid test of Fascismo is ahead, and Italy has many things to accomplish to put her house in order. Reforms of the administration, a cutting down of bureaucratic tendencies, a more vigorous governmental policy at home and abroad, better organized public utilities, and economy all along the line are among the present crying necessities. There is need of less interference in trade on the part of Government, and a stricter demarcation between the activities of politics proper and those which naturally fall in the realm of private business.

The general direction of public opinion in Italy is toward a conservative program for order, economic liberties, a reduction of the expenses of the state, and a Parliament of the Right. One of the difficulties in recent ministries in Italy lies in the fact that these ministries must of necessity represent a coalition, with no sufficient majority or leadership in any one element to make prompt and direct action possible. This has seemed to require that the head of the cabinet should adopt a more or less conciliatory attitude and spend much of his time in preventing violent clashes between

members of his cabinet, who belong to different and utterly divergent parties. With a House of Deputies divided into a dozen groups of different proportions, all wishing to have part in the formation of the cabinet, and none of them sufficiently strong to form a ministry alone, the premier found himself in anything but an independent and decisive position.

The present situation is quite different. Mussolini has as great a chance as he could wish for, as far as a free field is concerned. Even the radical party, which for the past few years has largely dominated parliamentary policies and practices, is well-nigh dumb in the face of Mussolini's fighting plans. For a year at least he is to be given a chance, virtually undisturbed, to remake Italy.

It will be a trying time, a period when diplomacy and idealism as well as dictatorship will be required. Bismarck's policy was to rule by blood and iron; Cavour's, by moral energy, appealing to the spirit of humanity and progress in all people. Bismarck, in his work of building, struck down his neighbors, Denmark, Austria, France. Cavour left no wounds in bringing into being "a state created not by conquest but by consent."

Will Mussolini follow in the train of Italy's great statesman and combine with his Garibaldian traits the abilities of Cavour? Or will he assume the German conquest attitude toward Italy's neighbors and thus open old wounds and retard the coming of European peace?

Surely few national leaders have had greater opportunities, and few have looked out upon wider reaches of possibilities. Italy stands in a peculiar position to all Europe to-day, and in more senses than one the world is looking to her peculiar type of idealism and courage as factors in the healing of the nations. The way is fraught with dangers. Italy has watchful and jealous foes. Fascismo has inherited heavy burdens of traditional ineptitude and economic extravagances. Major-General James Wolfe once sent a famous despatch to Pitt: "There is such a choice of difficulties that I own myself at a loss how to determine." We doubt not that the new Italian premier, when he gets thoroughly involved in Italian politics, will have a similar feeling.

Mussolini has undoubted courage, is of high power electrically and mentally, and is possessed not only of dynamic force but of traits of undoubted leadership and command. A scholar, an organizer, and a dauntless fighter, he has in his favor the fact that he is young and that behind him and his movement are the best blood and driving-power of young patriotic Italy. He is also doubtless aware of the fact that Italians have always preferred to follow personalities rather than principles. Every era of the progress of Rome and Italy "shines in the sudden making of splendid names."

The country as never before is conscious of its completeness in redeemed territory, and there is a widespread realization that unless Mussolini and his forces

prevail there is danger of a return to chaos greater than Italy has known in her entire history. A real industrial renaissance, begun even before the war, is now getting under way again. All Italy is expectant of great things to come.

The entire world—for Italy is not simply of the Italians but of the world—will watch with the keenest interest this latest experiment in quickening the pace of dawdling democracies. In some countries an attempt like this would mean anarchy; in Italy those who are best informed are inclined to believe that Fascismo will be the means of advancing the country to a position of unique influence in world affairs.

RULES OF DISCIPLINE
FOR THE
BLACK-SHIRTED PRINCES OF ITALY
FASCIST MILITIA

The general command of the National Fascist party of Italy has promulgated an interesting and impressive "Disciplinary Regulation for the Fascist Militia." The rules of discipline throw light upon the characteristics of this movement, which is not without its followers in European countries outside of Italy. The rules which follow were printed in "La Patria" for October 8, 1922, and reproduced in "The Nation," and reveal the exceedingly intelligent and careful manner in which this unique order has been inaugurated and carried on:

1. The Fascist party is always a militia.
2. The Fascist militia is at the service of God and the Italian nation and gives the following oath:

"In the name of God and Italy, in the name of all those who have fallen in battle for the greatness of Italy, I swear to consecrate myself exclusively and unceasingly for Italy's good."

3. Its military uniform is the symbol of giving Italy a new masculine vigor and laying the foundation for a formidable hierarchy to which the party will eventually intrust the destinies of the nation.

4. The Fascist militia shall serve Italy in purity, with a spirit imbued with a deep mysticism, based on an unshakable faith, dominated by an inflexible will, scorning opportunism and prudence as cowardice, determined to make any sacrifice for its faith, conscious of the burden of a terrible mission to save the great mother of all and strengthen and purify her.

5. The Fascist soldier knows only duty. His only right is to fulfil his duty and enjoy it.

6. Whether officer or soldier, he must obey with humility and command with force. Obedience in his voluntary militia shall be "blind, absolute, and respectful" up to the highest step in the hierarchy, the supreme head and the executive committee of the party.

7. The Fascist soldier has a moral law of his own. The common moral law, relating to the family, politics, and social relations, changeful as it is, is of no value to the Fascist soldier. His law is honor, as it was for the knights of old, a law which aims at the height of perfection without ever attaining it, a law all-powerful, severe, of absolute justice, even when it conflicts with formal written law, which is always inferior to it.

8. Absolute honor is the disciplinary law for the Fascist militia, and besides being upheld by the political organ it is protected by the highest officials of the hierarchy.

9. The Fascist militia rejects those who are impure, those who are unworthy, those who are traitors.

10. He is "impure" who, though he follows the laws of discipline, does not abide by the commands of

Fascism, ignores them, does not put them into practice, or violates them in any way; he who has any kind of deficiency of character; he who does not use all means within his power to attack courageously the secret or avowed internal enemies of Italy; he who lacks the sense to meet the enemies of Italy on the basis of a life for a life, an eye for an eye, a tooth for a tooth, a hand for a hand, a foot for a foot, a fire for a fire, a wound for a wound, or a bruise for a bruise; he who has any lack of faith whatsoever, any skepticism, or any suspicion of doubt when military action is under way.

11. He is "unworthy" who resists discipline or refuses, whether positively or negatively, to recognize the hierarchy; contests the application of the commands of militant Fascism, or wilfully attempts to interfere with them or slander them; violates the laws of honor as understood in the strictest sense; does not prove his courage in the face of any enemy who may be designated by his chiefs; does not live up to the duty of firmest solidarity with comrades of the faith at every opportunity, both morally and materially.

12. He is a "traitor" who in any way, shape, or manner offends or insults the members of the Fascist militia; spreads distrust of the leaders and creates or tends to create disruption; stirs up or incites movements of rebellion within a squadron, among squadrons, among maniples, centuries, cohorts, and legions; stirs up or incites dissension between the Fascist militia and the responsible leaders of the political organs; stirs up before, during, or after action any manner of discontent by propagating other faiths; in any way supports intrigues injurious to Italy or Fascism as it is interpreted by the responsible organs; resigns or withdraws from the Fascist militia for the purpose of starting organizations which are not recognized by the party; having left the Fascist militia, talks against it, insults it, or in any way undermines its existence; violates in any way or

for any reason the bond of a secret confided to him by his superiors or equals; does not live up to the oath of the Fascisti.

13. Those who are charged with impurity shall be tried as follows: By the legion commanders in co-operation with the provincial federations, if any group up to a century is affected; by the zone inspectors, after hearing the opinion of and in coöperation with the legion commanders, the provincial federations, and the regional delegates, if any group up to a cohort is affected; By the general command, after hearing the opinion of the zone inspectors and in coöperation with the executive committee of the party, if any group up to one or more legions is affected.

14. Those charged with unworthiness and treachery shall always be tried by a commission which, in addition to representing competent political organs, shall include the general command, which shall hear the opinion of the zone inspectors, who in turn shall hear the opinion of the commanders of any legions affected.

15. Those found impure shall receive penalties ranging up to expulsion; those found unworthy shall be expelled; the traitors, in addition to expulsion, shall suffer the severest punishment.

16. The Fascist militia is strictly subordinate to the political party, with due attention to the grades of the hierarchy.

Not only must it be considered the right hand of the party, but there must be such absolute unity between it and the party that every Fascist is a soldier of the idea without distinction and Fascism as a whole is the militia; every violation of this fundamental principle is treachery.

Every "prince" or "black-shirt" shall be supplied with a special legion sign, in addition to the party sign, according to the model intrusted to the executive committee of the party.

MEMBERS

17. All party members shall obey its special laws of honor and the military discipline of the Fascist militia, based strictly on the hierarchy.

18. The Fascist militia is made up of "princes," or "black-shirts," and of "triari," or reserves, as in the Roman militia.

19. The princes or black-shirts, who form the first bands of the Roman army, represent in Fascism the most active and ardent fighters.

20. The triari, or reserves, who made up the heavy militia, the nerves of the Roman armies, are the reserves of Fascism, those who stand by the shoulders of the fighters, the old men, the patient and vigorous force of the back line, the spiritual nerve of the Fascist militia, which is made up of those who on account of age or special circumstances are not part of the militia.

The triari are not exempt from obeying the military laws of Fascism and its hierarchy.

21. The princes or black-shirts shall wear the uniform at the orders of the officers and according to the prescribed rules for the organization and operation of legions which regulate its use.

The triari, or reserves, are neither obliged nor entitled to wear the uniform except under special orders issued upon occasion by the general command.

22. The decision of joining the princes or the triari does not rest with the Fascist. When he enlists, he shall state his preference, and will be assigned by the proper authorities to either one body or the other. The decision will be made by the legion commanders in coöperation with the Fascist executives, after hearing the opinion of lower officials in the hierarchy who are concerned with the Fascist militia, and with due regard to the special conditions of the Fascist. Refusal on the part of the Fascist to accept the decision made renders him thereby unworthy.

23. The Fascist militia which formulates its disciplinary standards in this regulation has outlined its application in "Instructions for the Organization and Operation of Legions."

THE HIERARCHY

24. The leaders of Fascism, both military and political, bear the most serious responsibility. He who would build to-day the new hierarchy for the Italy of to-morrow must possess the temper of a feudal lord, the will of a ruler, the personal charm and magnetism of an apostle, and a heart as great as Italy. First of all, above faith, strength, passion, and arms, he must be a master of sacrifice.

25. The leader must, in proportion to his rank, teach by example. He has the right and duty to use force toward those below him. This duty can never be carried out unless he can create love around him, for love alone generates sacrifice.

26. The leader must demand the strictest discipline from those below him and must keep himself under rigid discipline. In failing to live up to this duty he renders himself impure.

27. The leader must not shun responsibility, but must feel it deeply with regard to his superiors and to those who are outside the party. He must always answer for those below him.

28. If an army does not fight, the responsibility rests entirely with the general. If a military division of any degree of strength falls short of its duty in any way, whether through certain individuals or the whole group, the responsibility lies with the leaders rather than with the soldiers. If a voluntary militia is not perfectly drawn up, it becomes the worst of evils; if it is, it is prepared as Fascism always was for the greatest things. The leader who does not live up to these traditions renders himself impure.

29. The whole membership of Fascism and the whole future of Italy are based on the hierarchy. Officials who seek, solicit, or accept any task which they have not the strength, purity, or capacity to carry out render themselves unworthy.

30. The hierarchy, once formed as it is in Fascism, by promotions won by example and with evident proof to the members of the sacrifices made in the Great War and the war against the internal enemy, must live and perpetuate itself by its own powers.

The leaders are chosen and assigned to the Fascist militia by superior officials who have heard the opinion of the political authorities in accordance with the provisions set forth in the "Instructions for the Organization and Operation of Legions." Every conflicting provision is abrogated.

31. The political leaders, whether princes (black shirts) or triari (reserves) have full title to the uniform.

32. They wear the insignia described in "Instructions" and are entitled to salutes and honors according to the corresponding grades therein designated. By virtue of combining civil and military duties, they are obliged to wear the military emblems.

33. The black-shirts must always remember that Fascism as a whole is the militia, and that consequently all the leaders are military leaders.

34. During action or military demonstrations the civil leaders have no command. It will rest with the military commanders who are superior in the hierarchy to determine their positions.

35. The scale of the hierarchy is solely for the purposes above mentioned and for the regulation of political and military relations. It in no way interferes with the principle set forth in Article 16 regarding the absolute sovereignty of the political authority, with due consideration to the hierarchy and to the fact that the militia is composed of Fascism as a whole.

36. The hierarchical scale is as follows: **Military**

rank: general commanders, general zone inspectors, consuls, cohort commander, maniple commander. Corresponding political rank: party leader, general political secretary, members of the party executive committee, vice-general secretaries, general administrative secretary, regional delegates, deputies.

Provincial secretaries and members of the provincial executive committees, secretaries of Fasci (Fascist units) with more than five hundred members, and their respective executive committees.

Secretaries of Fasci with two hundred to five hundred members and their respective executive committees.

Secretaries of Fasci having less than two hundred members and their respective executive committees.

THE UNIFORM

37. "The Instructions for the Organization and Operation of Legions" prescribe the forms of uniforms, the insignia for officers, and the use of the emblems. The black shirt now has its own glory and its own history.

38. He who wears the black shirt is more than ever bound to a correct and noble bearing in accordance with the spirit and letter of this regulation. He who disgraces himself in any way while he is wearing the black shirt must be immediately reminded of his duty by the "princes" and by his superiors.

39. Abuse of the uniform is not permitted. The various officers of the hierarchy are to regulate its use so that it will be worn only by those leaders who will make it serve its best purposes, who will wear it with dignity and honor, and who will defend it with courage. He who abuses it is thereby rendered impure.

40. He who does not defend the uniform and emblem at the cost of his life is unworthy of wearing them. The uniform carries on the traditions of the war hero.

41. The uniform must be worn with pride and love. Wearing it, and for its sake, our dead gave up their lives. He who does not respect it, keeps it dirty or slovenly-looking, shows by his negligence that he is unworthy of wearing it.

PUBLIC DEMONSTRATIONS

42. No demonstration of princes and black-shirts can be held without an agreement between the military officials and the Fascist political authorities.

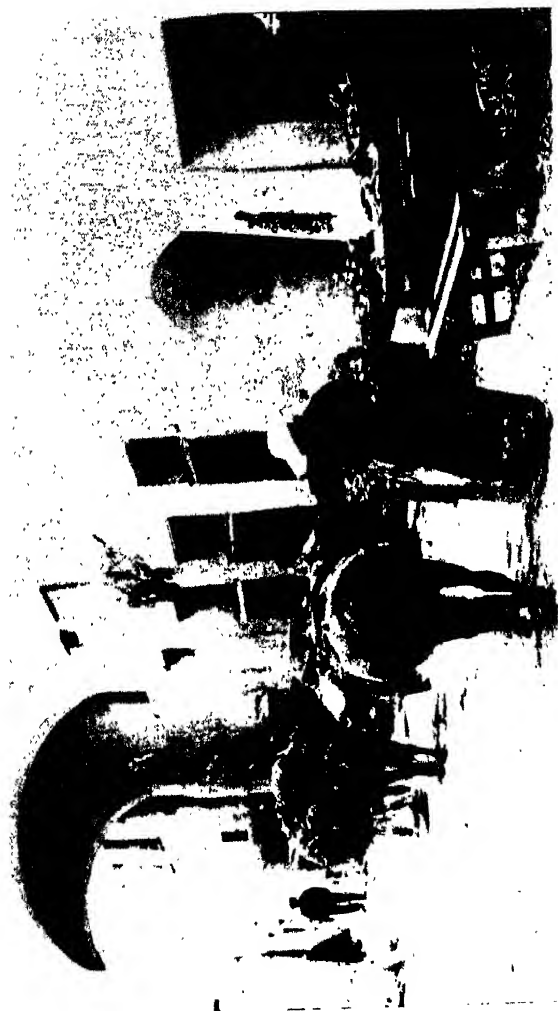
43. In making the agreements necessary for the application of the preceding article, regarding the joint action of the political and military authorities, the officials concerned shall be guided by the principles of co-operation established in Articles 13 and 14 relating to penalties. In this way demonstration shall be determined upon with strict observance of the principles previously set forth for maintaining the closest bonds between the various elements which are indissolubly bound together in Fascism.

44. The rules for parade, for public hierarchic honors, for salute, for the formation of sections, legions, and groups of legions, are contained in the "Instructions for the Organization and Operation of Legions."

45. In every demonstration the leader shall see that all his men bear themselves in such a manner as to make every good citizen feel that the Fascist militia is the first guard of the nation.

46. Whenever the black-shirts appear in public they must prove that they are the purest and highest patriotic force in Italy—the force which asks nothing and can at any time die for the nation.

47. Every disorder in a group, every demonstration of a demagogical nature, or in defense of private interest shall be considered treason and shall be punished as such either collectively or individually. The leaders



TO BE SEEN ALMOST ANYWHERE IN ITALY

and the chief offenders shall be held responsible first of all.

REWARDS AND EMBLEMS OF HONOR

48. Fascisti who have in some special way distinguished themselves in action by deeds of courage performed in purity shall receive as a special distinction the Medal of Fascist Courage or promotion on the field.

49. The Medal of Fascist Courage can be of gold, silver, or bronze, the coin and the form of the medal to be determined by the general command together with the executive committee of the party.

50. It is tied with a red vermillion ribbon with two tricolor borders.

51. Proposals shall henceforth be made by any political or military Fascist authority and passed by all superior political and military authorities in the hierarchy up to the general secretary of the party executive committee.

52. Proposals for rewards for valor shall be judged without appeal by a majority vote of the triumvirate of the general command.

53. The rewards will then be published in the bulletin of the general command and reprinted on all orders of the day down to that of the legion command so that they may be read by all princes or black-shirts.

54. Medals for courage in action may be awarded only by the general commanders or by the party leaders.

55. Promotion on the field to head of a squadron or head of a maniple may be made only by legion commanders or their superiors. Promotion to century commanders may be made by the zone inspectors.

The general command shall always be notified of any promotions.

56. Promotion on the field to cohort commander or

higher rank is always decided by the general command after hearing the opinion of the proper authorities.

57. Fascisti who have been wounded in action or for the Fascist faith are entitled to a special wound emblem.

58. The wound emblem is formed by a stripe of red vermillion braid five millimeters wide and five centimeters long to be worn obliquely on the right sleeve of the black shirt.

59. The extent of the wound or any mutilations may be designated according to the same rules which govern emblems for those who suffered injuries in the war.

60. The general command, after hearing the opinion of the lower officials in the hierarchy who are concerned, judges without appeal request for awards of emblems for mutilations or wounds.

61. The provisions of the present regulations shall go into effect upon its publication in the "Popolo d'Italia."

For the General Command:

CESARE MARIA DE VECCHI.

EMILIO DE BONO.

ITALO BALBO.

For the Party Executive Committee:

MICHELE BIANCHI.

Torre Pellice, September 17, 1922.

CHAPTER IV

ITALIAN EMIGRATION AND ITALY'S MAN-POWER

IF it is true that labor is the essential foundation of the economic progress of nations, Italy can be certain of her future. The activities of the Italian laborer, sturdy physically, healthy and intelligent, have constituted a chief strength of the Italian nation. His patient industry has built the audacious Italian railways through and around the vast mountain chains of Alps and Apennines; he has reclaimed the marshes in the Veneto and the Ferrarese; he has constructed the colossal waterworks of the country, as the Apulian aqueduct; and his agricultural prowess is witnessed in every part of the peninsula, fairly adding the steep mountain-sides to his pastoral domain by his indomitable industry and agrarian skill.

In virtually all of the modern industries the Italian worker has revealed his adaptability and technical and artistic craftsmanship. There are 289,405 men and 1,068,376 women working in the textile trades of the country; 1,054,862 men and 207,057 women engaged in producing agricultural products; 894,853 men and 35,215 women in the mines and building trades; 637,645 men and 26,370 women in various activities dealing with public services; 496,907 men and 21,517

women in metal industries; 110,085 men and 3194 women in mining industries; while the chemical trade claims 64,631 men and 35,878 women.

The war brought out the amazing inventive and adaptive skill of the Italians, and nearly a million workers were employed in establishments requisitioned for military purposes.

In every department of her life Italy is at work—4,519,400 of her people in the several industries, and 9,328,300 persons more than nine years of age in agrarian pursuits. The traveler who tours through Italy at present will get a different impression than that received in many another European country these days; it is the impression of hopefulness in activity, every one working and every one happy in his toil. It may be partially temperamental, for the Italian possesses a singing nature and is rarely depressed for any length of time, yet one is inclined to feel that the present-day Italians have taken to heart the two Roman proverbs about work: "Labor conquers all difficulties"; "Labor is itself a pleasure."

It is this love of work and aptitude therefor that the Italian has taken with him to foreign lands, making him one of the most desirable of immigrants. To-day, in South America, in every state of our own country, in the Near East in ever-increasing numbers, and in fact throughout the earth you will find the hardy sons of Italy doing the world's manual work.

The importance of the emigration question to Italy as well as to the rest of the world is clear, especially

when one realizes that 6,000,000 Italians live in foreign lands, nearly one-seventh of the entire population, and 3,365,000 of these are in the United States. This stream of emigration has been vital to Italian economy, since the country of Italy has been receiving on the average five hundred million lire yearly in remittances from these Italians abroad, an amount, taken together with the tourist trade, sufficient in normal times to balance the accounts between exports and imports. In addition, the emigrants from the mother-country have been quick to respond to calls for financial assistance and philanthropic gifts, and to the Italian national loans floated during the war; to this last object Italian emigrants contributed nearly two billion lire.

The Italian emigration forms one of the greatest movements of mankind, standing quite alone as regards the numbers involved and the continuance of the migrations. The flow of emigrants to the United States from Italy was especially notable during the five years previous to the breaking out of the European War. While there was an average of only a little more than 100,000 emigrants from Italy to all countries in the year 1880, in the year 1909 this figure had risen to 625,637, and in 1913 it had reached the volume of 872,598; of these 64 per cent came to America. Only about one third of these emigrants eventually returned to their native land. In the last normal emigration year before the war, north Italy furnished the world 299,079 of the emigrants, central Italy 160,615, while southern and insular Italy sent 512,906.

The character of these emigrants as to occupation gives some hint of the economic contribution they have been making to the lands to which they have gone. Of agriculturists there were 32 per cent; day laborers and unskilled workmen, 30 per cent; masons and bricklayers, 12 per cent; skilled workmen employed in different industries, 13 per cent; while there were also 13 per cent of these emigrants following commercial vocations and liberal professions. The emigrant agriculturists, representing about one third of the total migrations, direct their steps largely to Central and South America, while the day-laborers and the unskilled workmen, 30 per cent of the total, have been attracted by the industrial enterprises in the United States. The total number of emigrants from Italy who have come to the United States during the hundred years between 1819 and 1919, according to the Department of Commerce of the United States, was 4,100,735.

The United States has presented to Italians a most attractive field for their talents, and they have become an integral and important part of our national life. The war stopped or greatly diminished the emigration from Italy to America, there being in 1917 only 8197; in 1918 there were even less, 1545; while in 1919 the number rose to 41,154, and in the year 1920, before the new restriction law came into effect, Italian emigration to the United States amounted to 170,000.

Only one other European nation, the Russian, is more numerous among us. According to the census of 1920, the Italian population within the United States

was confined largely to the great cities and industrial communities. There are 1,200,000 Italians living within a radius of twenty miles of New York City, while there are 802,896 Italians in New York City itself. There are 100,000 more Italians in Greater New York than in Naples, the largest city in Italy, and the Russians surpass the Italians in the United States by only about 200,000. There are about one tenth as many Italians in the United States as in Italy itself, and for the twenty-five years before the European War we were increasing our Italian population on the average of 16 per cent a year.

The relative numerical standing of the Italians in New York City as compared with other nationalities was shown by the compilation of Dr. Walter Laidlaw, executive secretary of the New York City Census Committee of 1920, and is as follows:

Russia	994,356
Italy	802,896
Ireland	637,744
Austria-Hungary	603,167
Germany	503,199

Twenty years ago the Italians in America were predominantly persons who had been born in Italy, and large numbers of them never became conversant with the English language, nor took out their citizenship papers in order to become part of our national life. One of the most remarkable things about Italian immigration is the manner in which they have advanced rapidly in the social scale. In 1900 the Italian-born

population in New York City outnumbered the American-born inhabitants of Italian parentage two to one. Now the American-born stock is more numerous than the Italian-born, the second generation being still very young. Mr. John H. Mariano of the College of the City of New York estimates that 47 per cent of the second generation of Italians are under nine years of age, and only 1 per cent over forty years; the Italian element of all kinds constitutes only 12 per cent of the city's inhabitants, but it makes 30 per cent of the school-going population.

To the larger part of this second generation, educated in our public schools, the English language is more familiar and is in more constant use than the Italian. It was to this large Italian population in the United States, as to many thousands of persons in Italy looking forward to future emigration to this land, that the law restricting immigration, and contained in the act of May, 1921, brought surprise and consternation. This act provides that "the number of aliens of any nationality who may be admitted under the Immigration laws of the United States in any fiscal year shall be limited to 3 per centum of the number of foreign-born persons of such nationality resident in the United States as determined by the United States census of 1910."

On February 29, 1922, the House of Representatives passed a joint resolution extending the operation of the Immigration Act of May 19, 1921, to and including June 30, 1924. This resolution was passed by a vote of 281 to 36, with 112 not voting.

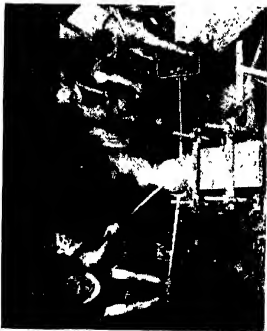


Courtesy of Society for the Protection of
Italian Immigrants

TYPES OF ITALIAN IMMIGRANTS AT ELLIS ISLAND

OUR PRESENT-DAY ITALIANS— INDUSTRIAL WORKERS

WHEN ITALIANS FIRST EMIGRATED TO AMERICA



This was one of the most drastic and far-reaching measures decided upon by Congress in many a year. For three hundred years or more, people of the earth have been moving from place to place without restriction, and particularly have the people from the ends of the earth sought America as a country synonymous with freedom and economic opportunity. The Dillingham Law would seem at first sight to indicate that we as a nation had definitely abandoned the long-prevailing theory that America should be a haven and a refuge for people fleeing from distressed conditions, political, religious, or economic, in their own land.

The object of the legislation was primarily to prevent thousands of immigrants from central and southern Europe from coming to this country at a time of extreme industrial and business depression. It should also be stated that quite generally among the American people a fear has existed that unrestricted movements of population, especially from sections of the world where there is great illiteracy and where ideals and customs and manners of life are dissimilar to our own, would bring about undesirable changes in the fundamental character of our citizenry. In fact, many have feared that such a deluge of immigrants from southwestern Europe as has been pouring in upon us during the last decade or two would tend, if allowed to continue, to endanger the cherished institutions established by the American forefathers. In other words, many think that "the American cement has all the sand it can hold."

President Lowell of Harvard, stating the attitude

of those who fear an unrestricted immigration to the United States, said:

"It is, indeed, largely a perception of the need of homogeneity, as a basis of popular government and the public opinion on which it rests, that justifies Democracies in resisting the influx in great numbers of a widely differing race."

It is significant to notice in support of this fear on the part of many Americans that the immigration from southern and western Europe has been increasing very much more rapidly than that from any other section of the world. Between the years 1882 and 1914 the total immigration from Europe to the United States was 19,526,163. From 1861 to 1916 the total immigration of foreigners from various countries to the United States reached the enormous figure of 27,772,000. Of the 33,000,000 persons in this country of foreign birth, or with one or more parents of foreign birth, the majority are of Italian or Slavic stock. The percentage of persons of foreign birth, or descended from parents of which one or both are of foreign birth, is more than 70 per cent in New York, Boston, Chicago, Cleveland, Pittsburgh, Milwaukee, and St. Louis.

It is estimated that the present law by June 30, 1924, will have kept out of the United States from 1,750,000 to 2,000,000 emigrants who would otherwise have come to this country. After 135 years under the American Constitution the law is unique and sweeping and has caused considerable hardship to foreigners, and the execution of it has been attended

by many mistakes and foolish blunders. There is no doubt that there will be a tendency to make certain modifications in the permanent immigration law of the country, and with the return of more prosperous conditions throughout the world these modifications may be made with greater wisdom.

Meanwhile, the effect of the working of this act upon Italy, one of the nations at present most directly interested and influenced by the legislation, is interesting, while the point of view of the Italians should be of assistance to those who will have part in making the final immigration laws.

With Italian labor representing so great a proportion of the Italian asset and prosperity, especially as this element relates to foreign lands and emigration, it can readily be realized how the new immigration law of the United States, reducing the number of Italians coming to this country by hundreds of thousands, has created wide discussion in Italy. The general opinion is fairly well expressed in an answer given by a prominent man of affairs in reply to my question, "What is the attitude of the Italians concerning the immigration laws of the United States?"

"The measures recently enforced by the United States have been generally criticized," said my informant. "Even considering the crisis and the unemployment affecting your country, Italian public opinion has judged that the yearly contingent of Italian immigrants allowed to enter the United States is extremely small. Since the crisis is influencing chiefly mines, transport, and textile industries, there is no apparently good rea-

son for refusing admission to the Italian immigrants, the great majority of whom belong to the agricultural class and therefore cannot harm American labor.

"It is generally hoped that the United States Government may amend this immigration law, facilitating admission into a free country, not only immigrants properly so called, but also tradesmen, scholars, tourists, and business men, who, save for a few exceptions, find it impossible to go to the United States, when the annual contingent (forty thousand immigrants from Italy) is filled."

We found that Italian emigration to the United States was already on the decrease when the prohibitive measures of the American Government were made known. Those who had planned to emigrate had heard from relatives and friends settled in America that unemployment and general depression in business and industry were being experienced. To be sure, there was considerable suffering and inconvenience in Italy due to this drastic law. There were forced separations of many families, and one hears in Italy many criticisms of the Immigration Act because of its mechanical and numerical limitation of departures. Its lack of discrimination is also criticized, as well as its lack of appreciation of the new selective measures now in vogue in Italy to the end of sending out of the country only such emigrants as are most desirable.

We would bear witness to the intelligence and careful organization at present found in Italy relative to emigration. The Italian commissioner of emigration, Giuseppe de Micheles, has been doing a remarkably



ITALIAN ROAD-MAKING

Through the Alpine passes near the Swiss frontier



THE ST. GOTHARD ROUTE

Through the Alpine passes linking commercial Italy with central Europe. One of the many examples of Italian engineering skill

important and far-reaching work at the head of the Italian Commissariato Generale dell'Emigrazione, and many of the weaknesses connected with the working of the new immigration law in Italy have been eliminated. The Italian laws governing emigration lay down strict rules for steamship companies that transport emigrants, and they also punish with severity those who for personal gain incite emigration. The emigrant is visited and examined before sailing, and care is taken to make sure that a proper selection is made. As a result, the statistics of Italians rejected by the United States show that the proportion is $1\frac{1}{2}$ per cent lower than that of such other nations as France and England.

The Italians are opposed to sending to Italy American inspectors for superintending the embarkation of emigrants, since such superintendence does not appear to them to be necessary in light of their carefully organized present policy, "besides costing the American Government heavy expense and offending the right of sovereignty of a friendly country, without affording notable advantage."

The Emigration Commission of Italy recommend to the United States the system of treaties of emigration and labor which has been adopted with excellent results in France and certain other countries.

The benefit of this system according to the Italian Emigration Commission is thus described:

According to this method while the market of labor remains closed to those classes of workers of whom there is an abundance, there remains open the possi-

bility of introducing those industrial or agricultural workers of whom there is need. But this is not all: the emigrant leaves his country being already sure that he will find work, and under this plan he is made acquainted with the conditions that will confront him, and frequently knows even the house in which he is going to live. In this way the worker acquires more dignity for his work, since he feels that his labor is desired and that he is not going to a foreign country merely to compete with home labor nor is looked upon as a hostile intruder.

The commissioner general of emigration is also keeping an "inventory" of all the Italian labor ready to emigrate; the persons figuring in this list are classed according to their professions and their specialty. This puts the commission in a position to meet at any moment demands for labor that may arise from countries with which an emigration agreement has been concluded, and to send exactly the type of worker wanted under conditions that are mutually satisfactory. The Emigration Office of Italy is absolutely against sending to foreign markets disorderly masses of workers, knowing well that such a proceeding would have the effect immediately of lowering the standard of Italy's man-power.

We found the Commission of Emigration in Italy conducted in a businesslike fashion, with a manifest endeavor to increase wherever possible the self-respect and manhood of the emigrant and to provide a strong army of workers to meet the call of foreign lands. The sympathy and the tradition, as well as the economic advantage, turn the eyes of Italians to the United States, which as a rule these workers prefer to any other country as a habitat. Unless, however, the

present immigration laws are modified there will be a tendency in the coming years (and this tendency is already revealed) for Italians to emigrate to other countries and gradually build up those national ties that are mighty influences in Italian character. It is for the United States to decide whether with the return of industrial prosperity she can afford to continue the operation of the present Immigration Act, which so drastically limits the number of Italians who can enter the country in a single year as almost to exclude North America from the movement of Italian workers in large emigration.

According to data supplied by the Commissariat of Emigration in Rome, the number of Italian emigrants in 1921 to European and Mediterranean countries amounted to 60,846, while 194,320 persons emigrated to transoceanic countries, making a total emigration for the year of 255,166 as compared with 364,944 in 1920. The decline was highest for the emigration to European countries, and was accounted for mainly by the industrial crisis in France and Switzerland, together with the serious financial and business conditions in certain of the central European countries and in Russia, where also Italian emigrants have been found in the past. In January, 1922, the total number of emigrants of Italy for transoceanic countries was 5622, of whom 16.7 per cent went to the United States, 21.2 per cent to Brazil, and 52.8 per cent to the Argentine Republic. In February, 1922, the figures again revealed what was happening to Italian emigration, since in this month the

total number fell to 3979, of whom seventy-two went to Canada, 445 to the United States, 2707 to Argentina, 527 to Brazil, 149 to Australia, seventy-four to Uruguay, one to South Africa, and one to Central America. In the same month 5698 persons left Italy for European countries, of whom 3094 went to France.

The remittances forwarded by emigrants through the New York branch of the Bank of Naples for the first quarter of 1922 amounted to 92,500,000 lire.

Italian emigration is closely connected with agricultural conditions in Italy, and it varies considerably in different parts of the country. In northern Italy the emigrants are usually of a higher type than from the south, being well-to-do men who go to different parts of Europe (and a great many now to the Levant) to search not only for higher wages but also for opportunities of entering business for themselves.

Emigration from southern Italy, on the other hand, is largely transoceanic, and its volume is much larger than that from the north. The Naples consular district has from two to three times greater number of emigrants than the Rome district, while the emigration from Palermo, Sicily, nearly equals that of Rome; the Catania district, also in Sicily, and Calabria have from one half to two thirds as many emigrants as Rome.

Taking the Rome district as an example, it is interesting to observe that although emigration ceased entirely during the war and did not begin again until the summer of 1919, it then rapidly increased, and in the

Rome consular district it rose from 4115 in 1919 to 42,932 in 1920. The new immigration laws of the United States have reduced the number of emigrants of the Rome district to 9164 in 1921 as against 42,932, the number of emigrants Rome furnished the United States in 1920; this last figure, by the way, was more than Italy's entire quota allowed for the period from July 1, 1921, to June 30, 1922, for the number of Italian immigrants allotted to our country under the quota for that year was only 42,021. The entire quota of this restricted emigration is taken up during the first four or five months of the year, and it is possible during the remainder of the year for Italy to send to the United States only such emigrants as may come under a special ruling.

It is particularly desirable to find out in an authoritative way whether the United States needs additional immigrants such as Italy can afford, and, if so, where they are needed and in what numbers. Reports are conflicting, and some political and considerable racial sentiment enters into various and divers statements concerning this matter. There is an intelligent Emigration Commission in Italy with which to work at present, and if this can be met with accurate knowledge and a broad-minded grasp of the facts concerning our country's agricultural and industrial need, it may be found that a much larger number of Italians could be placed advantageously in the United States than at present—and this without competing seriously with home labor.

The increasing of the present quota, on the other hand, should involve a new sense of obligation on the part of the United States to the emigrant, his location, and his social environment, as well as his civic and educational training. It is natural that peoples from the same countries, with identical language and customs, should drift together and form community conditions similar to those existing in their own land. The distribution of immigrants is as important as their selection, and both of these matters have been left largely to industrialists who have carried on their own propaganda with their own agents; to steamship companies, and to a considerable number of more or less nondescript people who have made money from the emigrant both in connection with his departure from his European home land, and also at his arrival and settlement in the United States. In many years, in fact, the capacity of the steamships was the only limit, aided by money sent from immigrants to their friends in their native lands. Upwards of 70 per cent of the immigrants in the year 1914 came to this country with their expenses paid by aliens already in the United States.

There is insistent need, whether the present immigration laws are changed or not, that attention should be given, together with proper appropriations, to the civic training of the foreign element in American cities. With more than 70 per cent of the immigrant population in the cities of our country, drawn there largely by the opportunities of industrial work, a large

proportion of this population not naturalized, and living in ignorance of our institutions, there would seem to be a large mission for those who are willing to work at a necessary, even if an old, problem. In New York City, for example, about 60 per cent of its males of voting age were born on foreign soil, and only 38 per cent of this immigrant population is naturalized. In other words, we have as "our naturalization problem" in the American metropolis more than half a million men who are not restrained by citizenship from engaging in a score of activities inimical to good government, if not tending to violence and destruction when their leadership is sufficiently unscrupulous. The city of Cleveland has accomplished excellent work through its Immigration League and Municipal Immigration Bureau. For the most part, however, the American people stand self-accused of the majority of the evils attendant upon the immigrant problem here.

The present situation is not easy of solution, and the points of view relative to it depend upon whether one is speaking from the standpoint of the American industrialist, the American laborer, or the average citizen.

According to a Department of Labor announcement of January 14, 1923, the aliens who entered the United States between July 1 and December 31, 1922, total 215,658, exhausting the annual quota for Armenia, Belgium, Greece, Italy, Luxemburg, Portugal, Lithuania, Spain, Palestine, Syria, Turkey, Africa, and

Australia, and almost exhausting that for Albania, Bulgaria, Czecho-Slovakia, Hungary, and Rumania. More than half the countries of northwestern Europe, however, have supplied less than 50 per cent of their annual quota of immigrants fixed by law.

In view of the fact that there is a more or less continual stream of immigrants leaving the country for their home land, the view is expressed in some quarters that the departures should be taken into account in fixing the quota from various countries. A special committee from the National Association of Manufacturers, after studying the immigration problem for two years, has asked that the law of the 3 per cent be amended at once "to improve the conditions which are getting more serious from day to day." The following suggestions for modification were made:

1. The quota of immigrants entering from various countries should be so regulated as to take into account the number of immigrants leaving the country. For example, the Italian quota last year was 42,000; 40,000 immigrants landed in America and 53,000 returned to Italy. Although the quota was apparently filled the number of Italians in America instead of increasing by 40,000 decreased by 13,000.

2. The Secretary of Labor should be authorized to admit a larger number of immigrants when it has been established that there is a scarcity of labor in one or more of the country's basic industries.

3. There should be medical examination of the immigrants in the various ports of embarkation by American officials, except in cases where the foreign government can give satisfactory assurance that a medical examination has been made.

4. The abolishment of the so-called literacy test.
5. The United States shall retain the right of registering, distributing, and instructing the immigrant.

At a cabinet meeting in Washington in the latter part of the year 1922, Secretary Davis of the Department of Labor presented his findings after a two-months tour of the country in which he studied labor conditions and the effect of the working of the new immigration law. It was the contention of the secretary of labor that at that time, at least, the industrial boom, if it could be so called, did not justify the wholesale admission of immigrants. He showed that the total immigration from all countries was less than 3 per cent, Denmark and the United Kingdom filling little more than half the quota permitted to these countries, and Norway and Sweden less than one half, while German immigration was slightly more than one fourth of the allowed quota.

The countries of southern and southeastern Europe, on the other hand, sent their full quotas, and in some cases these quotas were exceeded and immigrants had to be returned. There has been under discussion the plan of enacting a law that will make the steamship companies responsible for keeping within the quota by fining them two hundred dollars for each immigrant brought over in excess of the prescribed number from a particular country and also obliging the steamship company to return the immigrant to his own country free of charge besides returning to him the fare he paid at the point of embarkation.

The working of the new immigration law has been receiving more careful attention of late, and attempts have been seriously made to prevent recurrence of some of the unfortunate occurrences that have happened—separating families and holding up immigrants by reason of petty formalities. The board considering the case of immigrants meets each day, and out of 4200 immigrants who were held up as being above the quota, adjustments were made to admit 2509, while the remainder were returned.

Meanwhile, industrial interests were bringing considerable pressure to bear upon the Government to have the bars of immigration lowered, while organized labor was generally opposed to such action.

In grappling with this subject in the case of Italy, it must be remembered always that the Italians have a right to expect from us careful and sympathetic consideration of their situation, since the Italians have rendered far-reaching service to the United States. They have built our railways to such an extent that one can hardly see a single mile of track anywhere in the country, a single car or a single train in motion without realizing that in very large measure the immigrant from Italy has made them possible by reason of his willingness to work under conditions that the ordinary American workman would refuse to accept. Few, indeed, have been the great constructions requiring day-labor, brawn, and muscle that made our country industrially great in the twenty years before the war, which have not been largely indebted to the Italian

EMIGRATION AND ITALY'S MAN-POWER 107

laborer. In the second generation the Italian stock is truly American and is worthy of the ever-increasing homage paid to it by all kinds of trade, diverse professions, and American political and public life.

It may be shown that we shall not need in the United States so many sons of Italy as in the great period of our industrial building, but that we shall want and be able to utilize successfully in our enlarging industries and construction enterprises a larger number than the present quota allows would seem to be beyond question.

The following tables, which are reproduced by the courtesy of "The Wall Street Journal," show in detail the immigration into the United States from 1821 to 1922 inclusive. Emigration from the United States is also covered beginning with 1908.

ARRIVALS OF ALIEN PASSENGERS AND IMMIGRANTS

	<i>102 years 1821-1922</i>	<i>Yearly Average</i>	<i>1922</i>
Austria-Hungary	4,096,567	40,162	10,775
Belgium	147,143	1,442	1,541
Bulgaria .....	.....	.....	297
Czechoslovakia .....	.....	.....	12,541
Denmark	305,424	2,994	2,709
Finland .....	.....	.....	2,767
France	551,400	5,406	4,220
Germany	5,558,227	54,492	17,931
Greece	399,675	3,918	3,457
Italy	4,471,232	43,835	40,319
Jugoslavia .....	.....	.....	6,047
Netherlands	233,153	2,285	1,990
Norway-Sweden	1,880,992	18,441	11,916
Poland .....	.....	.....	28,635
Roumania	116,982	1,146	10,287
Russia (incl. Russ-Pol).....	3,461,399	33,935	17,143
Spain and Portugal .....	.....	.....	.....
Switzerland	374,397	3,670	2,615
Turkey in Europe.....	272,935	2,675	3,398
United Kingdom—	205,913	2,018	1,660
England	3,388,115	33,187	15,249
Ireland	4,408,586	43,221	10,579
Scotland	607,918	5,959	9,018
Wales	44,400	435	886
Total United Kingdom	8,449,019	82,833	35,732
Europe not specified.....	41,917	410	405
Total Europe	30,776,966	301,735	216,385
British No. America.....	2,090,044	20,491	46,810
Mexico	346,933	3,401	19,551
Central America	31,412	308	970
West Indies, Bermuda, and Miquelon.	379,600	3,721	7,449
South America.....	80,739	791	2,668
Total America	3,028,727	29,693	77,448
Islands of Atlantic.....	33,182	325	.....
China	364,119	3,569	4,406
India	7,692	75	360
Japan	255,083	2,500	6,716
Turkey in Asia.....	178,913	1,754	1,998
Other Asia	54,841	537	783
Total Asia	860,648	8,437	14,263
Total Oceania	61,380	601	145
Total Africa	20,286	198	520
All other countries	235,954	2,313	25
Grand total	34,918,058	34,233	309,556

EMIGRATION AND ITALY'S MAN-POWER 109

ALIENS ADMITTED AND LEAVING THE UNITED STATES

	<i>—Aliens Admitted—</i>			<i>Aliens Leaving</i>
	<i>Total</i>	<i>Male</i>	<i>Female</i>	
1922.....	309,556	149,741	159,815	198,712
1921.....	805,228	449,422	355,805	247,718
1920.....	430,901	247,625	182,376	288,315
1919.....	141,132	83,272	57,860	123,522
1918.....	110,648	61,880	48,738	94,585
1917.....	295,403	174,479	120,924	66,277
1916.....	298,826	182,229	116,597	129,765
1915.....	326,700	187,021	139,679	204,074
1914.....	1,218,480	798,747	419,733	303,338
1913.....	1,197,392	808,144	389,748	308,190
1912.....	838,172	529,931	308,241	333,262
1911.....	878,587	570,057	308,530	295,666
1910.....	1,041,570	736,038	385,532	202,436
1909.....	751,786	519,969	231,817	225,802
1908.....	782,870	506,912	275,958	395,073
1907.....	1,285,349	929,976	355,373	.....
1906.....	1,100,735	764,463	336,272	.....
1905.....	1,026,499	724,914	301,585	.....
1904.....	812,870	549,100	263,770	.....
1903.....	857,046	613,146	243,900	.....
1902.....	648,743	466,369	182,374	.....
1901.....	487,918	331,055	156,863	.....
1900.....	448,572	304,148	144,424	.....
1899.....	311,715	195,277	116,438	.....
1898.....	229,299	135,775	93,524	.....
1897.....	230,832	135,107	95,725	.....
1896.....	343,267	212,466	130,801	.....

A—Included in "Europe, not specified," before 1891-1900.

B—Includes also Finland from 1872-1920.

C—Includes Canary and Balearic islands after 1900.

D—Figures include the Azores and Cape Verde islands after 1879, they being classed with Portugal so far as that country is separately shown.

E—Includes Serbia, Bulgaria, and Montenegro prior to 1920; included in "Europe, not specified," before 1891-1900; also, in 1920, Czechoslovakia, Poland, and the Kingdom of the Serbs, Croats, and Slovenes.

F—Not separately stated before 1891-1900.

G—Immigrants from British North America and Mexico were not reported from 1886 to 1895, inclusive.

H—Not separately enumerated before 1899.

CHAPTER V

INDUSTRIAL RENAISSANCE

IT is manifestly unfair to Italy, as well as to the facts, to estimate this country by comparing its industrial conditions with those found in the United States or England. It is quite as incongruous as the usual attempt to estimate Italy of to-day by considering her as the mother of civilization, since the medieval and ancient characteristics of Roman life are as widely separated from those of modern Italy as one could imagine. It is rather in the light of a very new nation, a nation of less than sixty years of development, even now deeply involved in the problems germane to growth and youth, that we can discover present-day industrial Italy. Italian industry dates only from the very end of the last century, when the first great power-stations were erected. It must be remembered also that none of her component states were possessed of any industrial tradition, in fact that all this tradition and experience are only about twenty years of age.

Italy is now on the threshold of a fresh period of active material enterprise. This point is not easily understood by the foreigner, since it has been customary to overlook or underestimate Italy from the point of view of her practical or industrial progress. To give

a country the reputation of a "tourists' paradise" or an "art center" is to "damn it with faint praise," so far as business reputation is concerned. It is as difficult for the American to conceive of Italians as men of big business and large financial and industrial capacity as it is for us to think of Mark Twain in any way but as a perpetual funny man and humorist; and this despite the fact that a high English literary authority has called Mark Twain the greatest literary product developed in America.

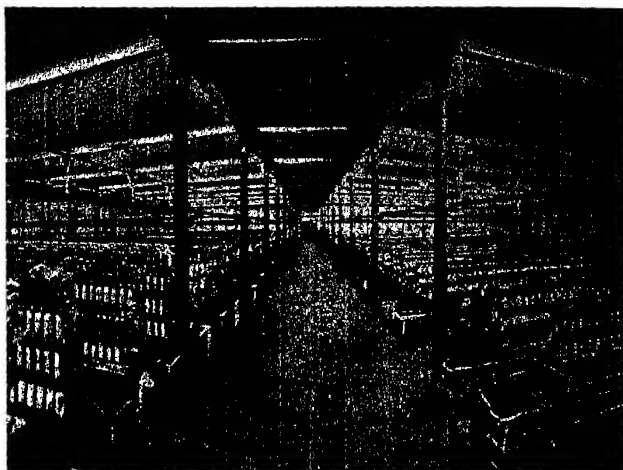
It is quite time that we came to appreciate the Italians from the point of view of their business capacity. No people are more shrewd, none more deserving to be placed in the category of moderns, none less sentimental in the conduct of large industrial enterprises and foreign trade, than are these highly intelligent and capable business men of Italy. Their country's relationships with the United States have in the past been based too generally upon historical reminiscences at public dinners and upon somewhat frothy emotionalism; our relationships with Italy are to be based in the future upon mutual markets and upon common interests of a commercial kind. Italy is entering upon a real industrial renaissance, and to be acquainted with these movements and to be ready to respond to the Italian call for coöperation in business interchange is one of the American opportunities at present.

Two factors have contributed greatly to the industrial progress of the last two decades in Italy. First, there is the remarkable man-power of the country,

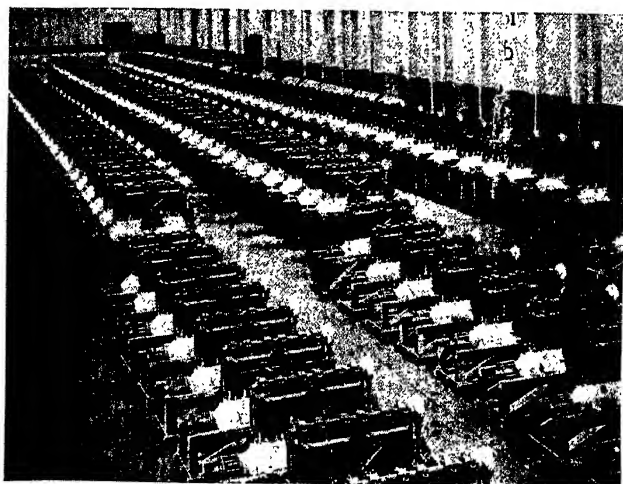
which has not only provided the mills, factories, and mines with efficient and industrious labor, but has also developed from its ranks men of initiative and high-grade business ability, who have made names for themselves in connection with this new era of Italy's economic and business revival. The second contributing factor was the construction of hydro-electric stations, which have placed at the disposal of industry the motive power required for its prosperity.

Regarded from the point of view of population and man-power, Italy must be reckoned with by all those attempting to judge of her present and future progress in the world's industrial life. The population is greater than the entire civilized peoples of the South American continent, and, with the possible exception of Belgium, Italy is richer in capable man-power than any other like area of the earth. Italy is the only one of the great European belligerents that has emerged from the European War with a larger population than when she entered it. Despite the half-million men killed in battle, the return of the Italian reservists from foreign lands, together with the limitation of emigration to the United States, has more than made up the loss.

To-day, in fact, one of Italy's problems consists in utilizing to advantage her rapidly increasing man-power. With the reduction of emigration to the United States, she has naturally turned some of her workers to Europe, where Italians in large numbers are helping to rebuild the devastated areas, though they can be found also in ever-increasing numbers in virtually



HUGE ESTABLISHMENT OF COTTON SPINDLES (LEGNANO)



ROWS OF MOTORS IN A TURIN FACTORY

every section of southwestern Europe and the Near East. New steamship lines to South America are carrying full passenger lists of Italians looking forward to colonization and manual labor in the Argentine and Brazil particularly, while the entire Italian peninsula from the Alps to the southern shores of Sicily, mountain-side and plain alike, reveal the intensive agricultural handiwork of the Italian laborer.

It is not alone in these fields of emigration and agricultural activities that the Italians have made or are making notable contribution to the progress of the world. Northern Italy especially is filled with manufacturing plants for the making of cotton goods, silk goods, steel products, machinery, and automobiles, while in the central and southern portions of the country one finds a wide variety of manufactures including marble and alabaster quarries, factories for the manufacture of embroideries, laces, and art objects, chemical and sulphur industries, glass-works, and talc, together with the ever-present wine industry and the preparation of the various fruits of the prolific Italian soil.

In all these diverse phases of manufacture and mining production, the Italian has shown valuable qualities of skill, inventiveness, energy, and persistence. Not less vital to her industrial future is the increasing utilization of Italy's almost unlimited resources of water-power. The energy employed and latent in falling water is probably greater in Italy than in any other country of its size on the globe.

One of the chief drawbacks to Italy's industrial development in the past has been her lack of coal and also her comparative lack of iron. With the harnessing and utilizing of her hydro-electric reserves (white coal), all of her diverse industries have taken on new life, and far-reaching plans are being made for future development.

During the summer of 1922, the European press carried news of a great victory scored by the Italian automobile industry at the international competition at Strasburg. In competition with French and British machines, the Italians, with a Fiat motor-car and a Garelli motor-cycle, won the two first prizes, thus placing Italian motor vehicles in the front ranks for speed, simplicity, and fine workmanship. There are doubtless many people on this side of the water who have not begun to think of Italy as a land with great smoking factories, extensive steel-works, large mining properties, and manufacturing industries of growing importance. The Rome "Tribuna" declares:

Steel-plants have sprung up as if by magic, turning out supplies which were previously lacked by us; for example, we have been making steel molds more resistant than the famous Austrian molds, as well as electro-magnets, reflectors, agricultural machines, apparatus of precision, telemeters, tools, and appliances of various sorts—all products of the best quality and furnished in large quantities to our allies. The production of our aeroplane factories has attained surprising proportions. A single plant in Lombardy has proved its capacity for delivering twenty-five machines per day.

Aëroplane construction in Italy began in 1910, when three aëroplanes were built; in 1915, 450 aëroplanes were constructed, while in the year 1920 Italy built 6500 of these eagles of the air. The construction of aëroplane engines in Italy has had even greater and more rapid development. In 1910 thirteen of them were built, while in 1918 Italian workshops turned out 15,600 aëroplane engines.

The Ansaldo Steel Company, together with the Ilva Company, a similar large plant for steel and mechanical construction, proved to Italy as well as to the world during the war the great capacity of the Italians for doing large industrial business. The Ansaldo Company, which took the initiative at the time of Italy's great need and turned out seven hundred cannon a month, is spoken of with some justice by its friends in Italy as the agency that won Italy's final success in arms over Austria. While this company has experienced certain of the disasters that accompanied the period of depression and deflation after the war, it is, nevertheless, giving signs of emerging from its difficulties and is now constructing railway equipment, locomotives, and automobiles.

According to the industrial census of 1911, Italian industrial establishments at that time numbered about 444,000 and employed an approximate total of 2,300,000 persons. In order to conduct this large industrial business Italy in 1914 imported 9,758,877 tons of coal. This is explanatory in part of the fact that Italy to-day is devoting her special thought and energies to the at-

tachment of electrical force through large hydraulic power-houses to her growing industries. With coal costing sixteen times more than before the war, despite the comparatively small contribution of reparation coal coming to Italy from Germany, the Italian manufacturer or industrialist can hardly be blamed for conservatism in conducting his enterprises. Until he can be assured of a steady supply of motive power throughout the year the owner of large mills and factories will be handicapped necessarily in competition with nations supplied with native coal.

That these difficulties have seriously impeded the industrialist would scarcely be noticed by the traveler who studies on the spot the country's rapidly growing mechanical industries; technical appliances, every type of steam-engine, hydraulic turbines, electric locomotives, railway carriages and trucks, agricultural machines, machinery for mills and macaroni factories, automobiles, motor-cycles, typewriters, and scores of other products whose manufacture is always related to large industrial plants. Up to the present time Italy has constructed in comparatively recent years 3000 steam locomotives, 100,000 railway trucks and carriages, more than 3000 hydraulic turbines and many thousands of machine tools and auto cars, which she has included among her exports. In a year just before the war, 1914, Italy exported 3300 automobiles while in the year 1920 this number had risen to approximately 9000.

The Italian textile industries, furthermore, are

forming an ever-increasing and important part of the country's commercial life. Italy is manufacturing silks, cottons, and woollens to a large extent, while raw silk has been leading Italy's exports to the United States. While the manufacture of cotton cloth is probably the most important branch of the textile industry, silk is of note in that its products have been employed largely in foreign as well as domestic commerce, and this business has contributed toward restoring the country's balance of trade. During the last few years there has been a decline in this, one of Italy's major industries, while Japan has been gaining in silk manufacture and production. It is to be noted that while the Italian gets one crop from the mulberry leaf the Oriental gets three a year. Yet the Italian silks are popular throughout the world, and raw silk to-day sells in lire for twelve times as much as before the war. Italy's silk exportation amounts to about one third the total sales of Italian commodities in foreign countries.

In 1911, there were 2000 factories in Italy employing 176,000 silk workers. Italy produced in 1914 4060 tons of silk as compared with 6055 tons produced by China and 9490 tons by Japan.

The silk industry, like all others in Italy, was affected by the war, which took many of the women and children, who were the chief laborers engaged in the culture of the silkworm, from this activity, sending them to seek employment in factories. The high wages offered by the war industries depleted the agricultural fields for the workshops. Despite adverse circum-

stances, the reports of the American Department of Commerce reveal that silk in skein, constituting Italy's chief item of import in 1921, reached the value of \$17,545,000, as compared with \$10,345,000 in 1920. There was also an increase in the imports of Italian raw silk into the United States in 1921 of 270 per cent over the year 1920 and 50 per cent over the pre-war year of 1914. Italian silk is superior to Japanese in the manufacture of heavy fabrics, and, although Italy has held a secondary position of late in silk manufacture, the industry has a hopeful economic future.

The cotton industry has constituted for Italy during the last thirty years one of the chief developments of her economic progress. It appears to possess the best record of continued prosperity of any Italian industry. From the autumn of 1919, the Italian cotton-mills have been busy with few interruptions, notwithstanding the world-wide depression that began in 1920 and made itself felt in Italy early in 1921. The cotton industry is old and established, and its equipment has been kept fully up to date.

To be sure, Italy has had to meet heavy competition of the old and firmly established industries of England, Germany, France, Switzerland, and the United States. But Italy has had the advantage of cheap labor and a large domestic market as well as the energetic effort of the Italian Cotton Association (*Associazione Cotoniera Italiana*). In 1917, there were 877 cotton firms in Italy representing 1088 factories and upward of a thousand additional contributory mills and depart-

ments. The growth of Italy's cotton industry may be suggested by the following paragraph taken from Professor Giorgio Mortata's "Prospettive Economiche" for 1922.

Conditions in Italy have been radically transformed. From being an importer she has become a heavy exporter of yarn and manufactured goods. The value of her cotton exports was as high as 200,000,000 lire a year, or one eleventh part of the total value of her exported merchandise.

The quantity of raw cotton worked in our mills was one thirtieth part of the production of the whole world; we had a thirtieth part of all the spindles of the world (4,600,000 in 1913) and a twentieth part of the machine looms and printing machines. Our production of manufactured goods was one twenty-fifth of the world's output; and among all exporting countries only four surpassed us in quantity of foreign sales and only five in value. The gross annual product of the Italian cotton industry—that is, value of goods exported, increased by that of manufactured goods sold at home—was estimated at 750,000,000 lire. Subtracting the value of the imported raw material, there was left over a margin of 400,000,000 lire.

Southern Italy, as well as Lombardy and Piedmont, has contributed materially to the output of the cotton industry. Cotton spinning and weaving have taken firm root in Naples; and the mills and factories of the *Cotoniere Meridionali* are among the most up to date in Europe. It was more than a hundred years ago that the cotton industry was first introduced into the former Kingdom of Naples. By slow but steady progress a series of amalgamations took place, and from 1913 the

cotton business of this amalgamation has grown very rapidly. At the present time the plants of the *Manufatturie Cotoniere Meridionali* and its subsidiary companies comprise fourteen spinning mills with 500,000 spindles, together with fifteen weaving mills and printing, bleaching, and dyeing mills—in all, thirty-six plants with 15,000 operatives and employing 12,000 horse-power. The total daily output of this Neapolitan cotton industry is approximately 110,250 pounds of yarn and 164,114 yards of goods.

Among the slogans of the cotton men of Naples are the following:

"The cloth we make in one day could pave the path from Naples to Rome."

"The yarn we make in one day could envelop the earth forty times."

These mills produce a complete line of goods, including sewing and knitting cottons of all kinds, dress materials, calicos, shirtings, bedspreads, tapestries, etc., from the cheapest and coarsest to the finest and most artistic. They gather their cotton from America, Egypt, and India, and their markets are eastern Europe, South America, and, to a minor extent, India, in addition to meeting the large demand for home consumption.

The chemical industries of Italy have almost doubled since the war, and the number of factories has increased, many of them covering extensive areas. Before the war, in the year 1911, Italy had 5000 chemical

factories employing 100,000 workers, 2000 motors, and 85,000 horse-power. Many of the materials used in the chemical activities are drawn from the soil of Italy. In the year 1915 the production of sulphuric acid and chemical manures reached 1,538,000 tons; in 1895 this production was only 241,000 tons. Factories built during the war for the manufacture of explosives are now being transformed for the production of paints, medicinal preparations, and other chemical products.

The Italian wool industry is also worthy of attention, as another sign of the country's remarkable revival in large business. This industry flourishes for the most part in central and southern Italy. In Sicily and Sardinia, also, it reaches considerable size, though the methods employed as to breeding, selection, and choice and preparation of pasture-lands are those of a thousand years ago. The industry before the war comprised about 606 factories, 500,000 spindles, and 16,000 machine looms, and the figures are similar at present. Even before the war the Italian wool industry supplied nine tenths of the national consumption and had already begun to export. Although the Italian wool fabrics of better quality are inferior to the finest English grades, their length of fiber, durability, and color are especially noteworthy.

Italian wool manufacturers are now seeking outlets of trade abroad and are following the plans used by the cotton manufacturers in establishing foreign markets. The principal markets for yarns and textiles

were the Balkan states and Asia Minor before the war, and since the war this export trade has continued with comparatively small competition either from Germany or Czechoslovakia. Mr. Homer Edmiston, secretary of the American Chamber of Commerce in Milan, believes that if the wool manufacturers of Italy would organize a buying association they could obtain their foreign supplies much more cheaply.

Much could be said regarding the paper industry, the cement trade, and the Italian fisheries (which employ 118,000 men and use 27,000 boats), as well as of the coral and sponge fisheries, Italy's match and leather factories, and her rubber trade (which is one of the oldest industries of the country). In 1915 Italy imported rubber to the amount of 38,000,000 lire, or 5367 tons. In all these trades there are noticeable the new alliances of science and industry, and the laboratory is becoming more and more an adjunct of the trade pioneering activities that are everywhere evident.

"Italy is as highly organized and efficient," said a leading European economist, "in a manufacturing sense as was Belgium prior to 1914." The Italians, who heretofore have proved their capacity of virtually creating wealth out of nothing, have now entered the age of machines and industrial and scientific appliances. With the country's youth in the saddle, progressive, patriotic, and intelligent, the proverbial Italian energy is being attached to modern industry. The results in the coming years will astound the world.

An important contribution of Italy to the world de-

veloped within her narrow peninsula has consisted in her minor arts and special industries; in these, during the passing years, the country has become world-famous. Whatever Italy may do in the future in the large modern industries which require vast capital and expensive machinery, she will ever be notable for her cunning in sculptured marble and alabaster, in majolica and porcelain ware, glass, mosaic, embroideries, lace, furniture and decorative goods, wrought-iron, jewelry, and a hundred other lesser arts, persisting in every corner of the country. These arts and artists, though quite unknown in the world's register of fame, have imbued their work with the true spirit of Italian artistry and have contributed to life everywhere a pervasive sense of beauty, while they have been no small factor in the actual economic output of the country. Inspired by the industrial transformation taking place in the larger industries, these smaller but highly important Italian arts have enlarged the scope of their activities, amplified their agencies for the gathering or purchase of material, and pushed the sale of their goods and the instruction of their workers.

The importance of such manufactures, as well as their economic value to Italy, cannot be gaged entirely by the movements of commerce. In that "invisible" export trade that is virtually impossible to represent by figures, the purchases of tourists, hundreds of thousands of articles each year are taken from Italy to the farthest corners of the world, not only to beautify surroundings but also to enrich in a modest way, at

least, tens of thousands of Italian workers. When it is realized that in an average year before the war, 1910, 900,000 tourists visited Italy, one can do his own reckoning of the probable purchase and transportation of Italian artistic handiwork.

In the year 1913 marble and alabaster goods were exported to fifty-seven different countries in all quarters of the globe. In the year 1919 marble in unworked blocks and slabs was exported to the amount of 22,874,200 lire, while, in addition, artistic goods made of marble and alabaster were exported to the amount of 19,617,100 lire. Italy possesses virtually a world monopoly of the production of marble in its original unworked state, and she has been one of the chief contributors to the development of this industry.

Closely allied with Italy's marble enterprises are her alabaster works and products. Alabaster, being essentially a decorative stone and softer than marble, readily lends itself to the fashioning of works of art. The alabaster workers at Volterra, noted throughout the earth, have handed down from father to son the secrets of their art. A school of industrial artistry was founded at Volterra in 1899 for the diffusion and perfection of the applied arts, and this school continues to exert a wide influence in artistic and industrial production. It is interesting to note that alabaster is found in no other part of the world save in the province of Pisa, while the center of the industry at Volterra, with which alabaster has always been identified, is now a town more than four thousand years old:

As Volterra is the center of alabaster work of the finer quality, Florence is the center of alabaster sculpture. In both instances the work is done by hand, and much of the quarrying is still accomplished without the aid of machinery.

Among the other minor industries in which Italy has revealed her peculiar genius must be included the commercial art of the image-makers of Lucca and the straw-workers of Tuscany. Rome and Venice have long been famed for their mosaics, as Florence and Naples have world-wide renown for the variety called "pietra dura." Then, there are the tapestries of Rome, the papier-mâché sculptures of Lecca, the artistic pottery of Florence, Imole, Faenza, and Pisaro, and the wrought-iron works of Siena. Venice also is known everywhere for her artistic glass and beads, and Verona for laces, as are also Santa Margherita and Como.

The manufacture of lace is a home industry in Italy, and the same can be said of the making of "antique" objects in wood, iron, and terra-cotta. Tuscany is the principal center of the copying of old masters, while the coral work of Leghorn, Genoa, and Torre del Greco are noteworthy. The catalogue of other Italian arts would be a considerable one—such as carved and inlaid furniture and wooden frames, produced extensively in Venice, Milan, and Florence, and exported widely to South America as well as to Europe and the United States.

Southern Italy is prolific of local industries. There are the candied fruits of Calabria and Sicily, which are

world-famed, as are the sausages of Bologna, the Parmesan cheeses of Reggio, Lodi and Parma, and the endless variety of macaroni of Naples and its vicinity.

The ceramic industry in Italy is also important, keeping alive the glorious traditions of the Renaissance. The Neapolitan potteries of Capo di Monte and the Florentine works at Docia, together with other well known factories in central Italy, reproduce the famous antique majolica ware of Faenza, Pesaro, and Urbino; they also produce many new types and patterns. In the ceramic industry one finds many men working in a small way, virtually alone, producing excellent and original work and giving to it an individual character. In studying the hand industries of the Italians one is impressed with their resemblance to the method of working of the Japanese in many of their artistic industries. The individual painstaking bestowed upon their work sets these products apart from the purely commercial and mechanical output of the factory, while it would be hard to find people possessing a more deeply individual and natural pride in their art than the Italian ceramic workers. The importance of this enterprise abroad was revealed in the fact that in the year 1919 majolica and earthenware variously colored were exported to the amount of 2,193,540 lire. In the rough majolica as well as in the finer workmanship individuality is revealed, and almost every province has a special variety of majolica that is used by peasants for plates and dishes.

Papier-mâché modeling, a specialty of the Terra

d'Otrante district, is an extensive industry. From this material large statues, frequently greater than life-size, are made for churches and other institutions unable to pay for more expensive material. Considerable skill and inventive genius are revealed in these creations, each artist endeavoring to clothe his subject with some of his own personality. An important home industry is also that of paper making. The hand-made paper associated with the name "Fabriano in the Marches," said to be the oldest factory in Europe, dates from the fifteenth century. Several continental states have been dependent in the past upon Italy for printing bank-notes and certificates used as foreign securities. Italian hand-made paper is also used extensively by artists, while the cheaper grades are employed for common writing-paper and sold by the kilo. Certain European countries also make use of such paper in a cheap form under the names of their respective countries.

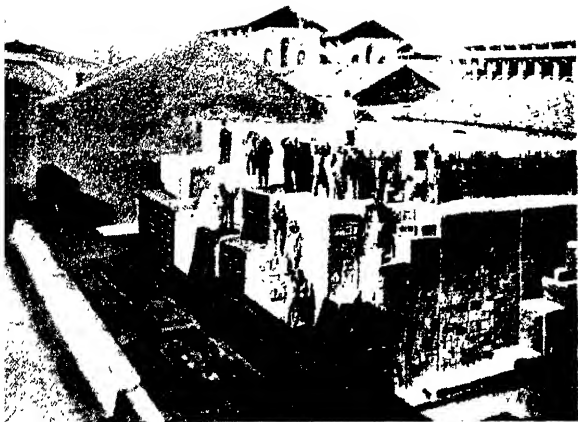
Map making is also an Italian accomplishment, and those of the Geographical Institute in Florence are notable. Before remaining long in Italy one notices the large number of bicycles used everywhere. The Italian Touring Club provides excellent detailed maps of all the provinces for bicyclers as well as for tourists. Italian artistry is seen also in attractive bookbinding and in the use of parchment and vellum after the style of the fourteenth and fifteenth centuries. The headquarters for this kind of bookmaking is at Florence, Siena, and Rome.

There is a tradition centuries old, together with a

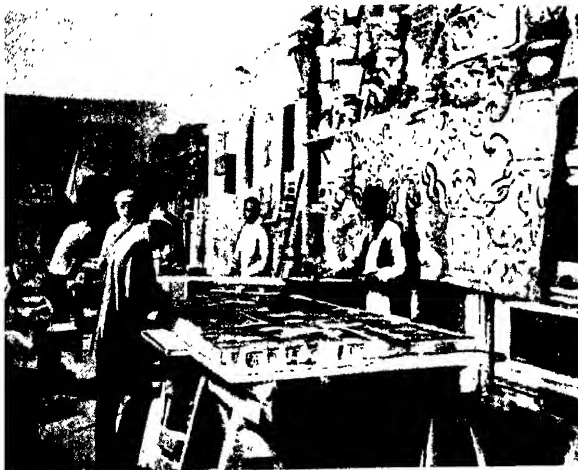
lively artistic sense, technical skill, and industrial organization, which has contributed to raise the Italian glass industry to a high degree of perfection. Glass and enamel ware, the much prized "Venetian pearls," spun glass, artistically modeled and ornamented vases, richly decorated lamps, are all products par excellence of Italian handiwork. There have rarely been equaled, moreover, the many-colored mosaics and ornamental mirrors and that iridescent glass of the most delicate transparency revealing Italian imagination as well as a sense of utilitarian value. Many thousands of workers are engaged in this branch of production, the factories of which extend for long distances about the shores and lagoons of Venice. The first year after the Armistice the export of glassware to all parts of the world showed an appreciable increase, mirrors and glass ornaments (blown glass, colored and painted) being exported to the amount of 4,802,800 lire, while glass and crystal ware, together with enameled glass articles, were exported in the same year to the amount of 13,608,700 lire.

The export of artistic goods from Italy in this same year of 1919, including artistic glass, pottery, marble ornaments, furniture and works of art, lace, jewelry, and cinematograph films, on the basis of the prices of 1918, amounted to 138,630,000 lire.

Among the most wide-spread of Italian arts is the manufacture of lace and embroidery. Every district possesses its own traditions, and these are jealously maintained, resulting in a rich and varied national prod-



SULPHUR BLOCKS IN A REFINERY (CATANIA)



MARBLE MOSAICS

Italy possesses virtually a world monopoly of the production of marble
in its original unworked state

uct. The styles are many and diverse. Among these are the famous fifteenth-century *bandere* of Piedmont, Venetian lace with its centuries of fame, the laces of *Emilia ars* widely sought for because of their gracefulness of design, and the Umbrian lace work breathing the spirit of Giotto. There is also the Roman lace, especially the gold and silver thread variety, the Abruzzi lace, which is said to rival the Venetian, the curious Neapolitan varieties with their rich and varied coloring, together with the characteristic Sicilian filet laces modeled on fifteenth-century patterns. These are all distinctive characteristics and expressions of the same national art; within the last twenty years these branches of production have been coördinated and greatly developed. Societies have been formed for the sale of Italian laces abroad, while in Italy excellent schools and workshops have been established and conducted by private and public enterprise. Thus the work is distributed among thousands of women and girls now employed in the lace trade. The well known Jesurum firm of Venice alone employs more than five thousand workers.

Cinematography has developed rapidly in Italy, making use of the beautiful scenery of the country as well as the ability of the Italian actor. This industry has a working capital of 300,000,000 lire, giving regular employment to more than eleven thousand persons, not including many occasional workers. In the year 1919, 25,000,000 feet of exposed film were exported.

Art and industry in Italy have developed together in

many additional ways, such as in the manufacture of wrought-iron work, articles carved in coral, ivory, and mother-of-pearl, silver work and artistic bric-à-brac, all of which have contributed to the value of export trade. In a recent year the export of so-called "antiques" and modern works of art amounted to upward of 7,000,000 lire.

Italy thus has learned to reinforce and to organize the artistic qualities of her people, and she has also conformed to modern standards of production, transforming a genial and art-loving race of hand-workers into a potential and actual force for general economic advantage.

What Italy needs to-day is a publicity man. Advertising and the proper exploitation of her manifold works of artistic genius are something the Italian has never yet mastered, that is, in no such measure as the advertising profession has reached in America. It was only in recent years, indeed, that advertising in Italy found a place of respect. It was formerly looked upon as a form of charlatanry. Even now attempts at advertising are somewhat crude.

It might seem an excellent opportunity for American advertisers, past masters of this art, to give assistance to Italy in this industrial renaissance, now evident throughout the country both in large and small industries. Even in the United States, which furnishes every season so many hundreds and thousands of tourists, Italian art is looked upon in a more or less dilettante way. Indeed, the word "artistic" as applied to indus-

tries seems almost a misnomer, so little have we realized the manner in which ancient traditions and artistic heritages have joined with the modern commercial and economic spirit in making this New Italy.

CHAPTER VI

"WHITE COAL"

Plotted sites of future cities, traced the easy grades between
'em,

Watched unharnessed rapids wasting fifty thousand head
an hour;

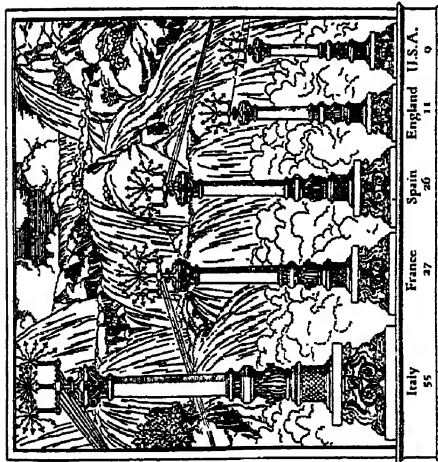
Counted leagues of water-frontage through the axe-ripe woods
that screen 'em—

Saw the plant to feed a people up—and waiting for the power!

KIPLING.

IT is recorded that Cæsar dammed the rivers of Spain for the purpose of war, that he might destroy his enemies. To-day his countrymen are constructing dams and power-houses, harnessing the mighty rivers that flow down the sides of the Alps and the Apennines to the end that electric energy may be obtained to run Italian railways, to furnish industrial power, and thus to advance the economic life of Italy.

Although Italy is unable to dig coal, that vital product of modern industry, out of her soil—for Italian territory contains none—she is now producing "white coal" to the extent of concessions covering upward of three million horse-power, and her engineers assure us that the water-power energy of the country is sufficient to run all the railways and tramways, and equip the industrial plants of the nation. Italy holds a high



HYDRO-ELECTRIC POTENTIALITY BY COUNTRIES

Dynamic H.P. available per square mile of surface



INCREASE OF AEROPLANE CONSTRUCTION IN ITALY

Saw the heavens filled with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with
castly bales.

- Tennyson, "Locksley Hall"

position in the world's hydro-electric potentiality. The dynamic horse-power available to the square mile of surface in Italy is represented by 55, in France by 27, in Spain 26, England 11, and the United States 9.

The hydro-electric advantage of Italy is due to the climatic conditions and the vast mountain chains that bound the country on the north and almost bisect the long peninsula from north to south. From the Alps on the northern border full streams fed by melting mountain snows roll down into the plain, affording the greatest volume in summer. The Apennine rivers, on the contrary, flowing down from the mountains traversing the entire country from north to south, furnish their largest water-power energy in winter or spring, when swollen by abundant rains.

Nor is this development of hydro-electric energy a new thing in Italy. As early as 1892, or as soon as the practicability of long-distance transmission had been demonstrated, the first hydro-electric stations were established at Tivoli. These were followed by the Paderno three-phase current station, for many years the most important power-house in Italy if not in the entire world.

The electrification of Italian railways was begun in the industrialized provinces of Piedmont and Liguria. In this region there has been completed the electrification of 1000 kilometers of track. Work is going on also on the Genoa-Pisa-Spezia-Leghorn line, on the Bologna-Florence and also on the Bologna-Faenza lines.

An experiment is being made in the use of three-phase high-tension current on a short line from Rome to Angio, and there is planned electric traction on the Rome-Naples direct line. The direct current system will be tried in the south of Italy on the Benevento-Foggia line. The next stage will call for the electrification of the rail lines in northern Italy, which will have an important bearing on the development of Italy's trade with central Europe.

The power for running these Italian railways will be supplied for the most part by hydro-electric plants built by private corporations, and distributed by large central stations that are being built by the state railroads. The program upon which the Government is now engaged calls for the electrification of 4000 kilometers of railroad trunk-lines, comprising about 10,000 kilometers of track.

It may be pointed out in this connection that although Italy should be able to develop her potential hydro-electric power to the utmost limit (a task associated with great problems of engineering and finance), there still would be a market in this country for coal. Such industries as, for example, the manufacture of glass and foundry iron, where the use of electricity would be too expensive, would require coal.

The railway electrification will be carried on in the north to a greater extent, and in the first instance the tendency will be to electrify the roads in mountainous regions and in short runs where the use of coal is less feasible. In the north valley of the Po, which is the

great plain of Italy, a kind of miniature Middle West where for generations the Austrians held sway, a stretch of railway is to be electrified in the near future from the French frontier to Leghorn.

As to the extent to which electrification of railways in Italy will be carried out, the state railroad experts do not seem to favor complete electrification. The present program, calling for completion by the end of 1926, looks forward to substitution for steam power on one third of the state railway lines, or about 5000 kilometers of road out of a total length of upward of 15,000 kilometers. It is important to note, however, that on these 5000 kilometers of road 68 per cent of all the coal burned by the locomotives of all the state railways was consumed. Italy will thus make an enormous saving eventually in railway fuel and at the same time become independent of foreign coal supplies to a considerable extent.

The advantages of electric over steam traction have been stated by A. A. Osborne, American assistant trade commissioner at Rome, as follows:

The question of the coal supply for Italian railways for use in steam locomotives has been especially critical since the war. As no coal deposits are known to exist in the country, all steam-locomotive fuel must be imported. The engines on the state railways were designed to burn British steam coal, known as "litantrace." The constant premium on the pound sterling over the lira, ranging in the past two or three years from 200 to 300 per cent, has made English and Welsh coal exceedingly expensive. Even with sterling ex-

change at the most favorable level to which it has fallen in the past few years, the standard British coal has cost at least 250 lire per metric ton placed on the locomotive tender. In the operating year 1919-1920 the state railways used 2,700,000 metric tons of coal, its high cost in lire constituting about one-third of operating expenses, although operating expenses as a whole were unduly heavy because of the wages to highly paid and overly large working force.

The high cost of British and American coal impelled the state railways in the past year under pressure from the treasury authorities to use German coal, charging it to the account of reparations. The use of ex-enemy coal as an offset to Italian reparations claims did away with the necessity of buying British coal by means of a depreciated lira; but, even so, the use of reparation credits to obtain coal and other Government supplies cannot be continued indefinitely. In any case, German coal in Italy is not so very cheap, since its cost delivered to the locomotive has averaged 180 lire per ton and its inferior quality necessitates a larger quantity in hauling the same load over a given distance. However, it has been used because its price is appreciably lower and it can be paid for by means of bookkeeping entries instead of by the purchase of sterling or dollar exchange commanding a high premium.

In order to stimulate the construction of power-plants and hydraulic works, legislative measures have been introduced for the purpose of granting subsidies to the new lines of transmission for a limited period, with permanent fiscal facilities for the construction of reservoirs and artificial lakes. There is a real demand for new concessions, and those under consideration at present involve the erection of power-stations of several million horse-power.

These reservoirs constitute an important phase of this enterprise, since without them the power obtainable from the Italian rivers would be greatly diminished. In other years the power-houses were constructed in accordance with the minimum volume of the rivers in order to insure the total efficiency of the central station throughout the year. The amount of water in Italian rivers varies greatly according to the season, and as the power obtainable was thus represented by a very low figure, a great amount of energy was wasted at times by the plants.

In the next period power-houses were planned on a more generous basis, in proportion to the volume of a stream during six or seven months in the year. This plan also had its drawbacks, since in the dry season certain units of the central power-house suspended work altogether, obliging its industries to shut down or rely upon subsidiary steam-plants, or integrating stations.

The reservoir system which is now in vogue in Italy furnishes more nearly a solution of the difficulty through the construction of large reservoirs to catch the overflow of water in the wet season and to distribute it in the dry period. The reservoirs regulate the flow of water in proportion to the power required during the different months of the year, or hours of the day. Nearly all the new demands for concessions involve the establishment of such reservoirs, and this is bound to generate a force heretofore unknown, even from small and insignificant rivers. These reservoirs

constitute a safeguard in the case of flood as well as of drought, and are of great advantage to irrigation, as the dry season falls in the summer when irrigation is most needed.

At present Italy, according to Senator E. Conti of Milan, has about forty reservoirs in the Alpine region with a total capacity of 205,000,000 cubic meters of water, about fifteen in the Apennine region with a capacity of 30,000,000 cubic meters, and four in Sardinia with a capacity of about 2,000,000 cubic meters. Besides, eleven others are being built in the Alpine region which will have a capacity of about 270,000,000 cubic meters, and four others in the Apennine region with a capacity of about 95,000,000 cubic meters. Also, a very large one is being built in Sardinia on the river Tirso, which will have a capacity of about 416,000,000 cubic meters, as well as one in Sicily to hold about 20,000,000 cubic meters. Within a few years there will be added to the total of 237,000,000 cubic meters available to-day about 800,000,000 more.

The connection between these various plants, which were built at a time when such an eventuality was not contemplated, encountered many difficulties on account of the different frequencies and tensions adopted by the different companies. However, with special stations for change of frequency and tension, this obstacle has been in large part overcome, and thus Liguria is now connected with Piedmont and Piedmont with Lombardy. Lombardy furnishes, besides the whole of her own very extensive system, also Emilia and Romagna

as far as Rimini. Romagna is already connected with the Marches; Tuscany exchanges power with Lombardy and with Terni. Terni, in its turn, furnishes Latium almost as far as Goeta. The Abruzzi, besides providing for its own needs, is connected with the Marches and with Campania, while the latter, according to present plans, will in time receive power also from Calabria (Sila).

In hilly regions of the country there have been formed large lakes to provide a full and constant head of water, while along the sides of the hills and mountains level channels have been made or tunnels driven through the rock, to carry the water to the turbines so placed that they may obtain the maximum yield of water-power. These transmission lines carry the "white coal" power to every city for the purpose of running street-cars and electric lighting systems, and they reach out-of-the-way regions where large industrial plants utilize the power from the Italian waterways.

Many English pounds a half-century ago went into the Italian railways. American capital is now sought for the purpose of electrifying the lines and thus helping to make Italy more independent in her commercial and industrial life.

There are amazing projects now on foot in Italy for the extension of hydro-electric development. One Italian economist published some time ago a scheme for establishing a single trunk-line, or a network of lines, for the conveying of electric power to all parts of

Italy. This plan is indicative of the dreams the Italian business men have of serving their country with every modern device, making up wherever possible for her lack of natural resources with twentieth-century devices.

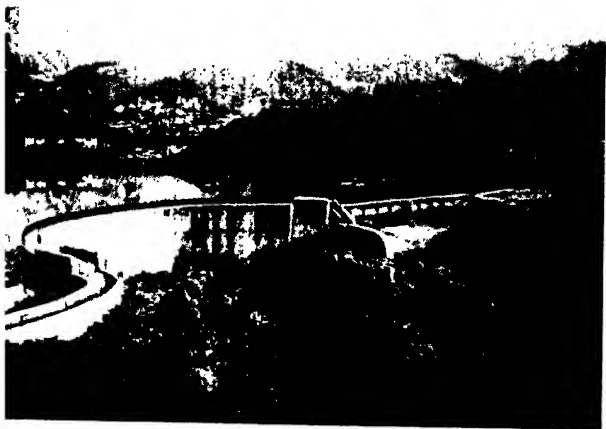
"The moment is not far distant," writes this scientific expert, "when a great part of Italy will be covered with a single network receiving its hydraulic power from various points. When that moment arrives, we shall no longer know whence the energy comes which we draw from any particular point on the line: we shall not know whether the force which is moving a tram-car in Milan or lighting a street in Rome comes from a torrent flowing down some gorge, perhaps in the Apennines, perhaps in the Alps, or comes from a rainfall over a wide basin collected into an artificial lake. . . . When a great part of Italy is covered by one single network, even the power generated by intermittent hydraulic forces will be fully utilized. For the minimum power available at any moment will be the minimum of the aggregate power of all the various streams at that moment; and this is obviously greater than the sum of the separate minima of each. On that day Italy will be seen to be much richer in hydraulic power than she has as yet appeared to be."

There are sure to be legislative problems and a certain amount of conflict in the institution of such water-power enterprises as are now already under way in Italy. Farmers will not relish the idea of their valley lands being in certain cases utilized for artificial lakes, and there may be small mills put out of business at places, in order to make way for these huge reservoirs of water-supply. It is fairly certain that the coming



TELPHER LINE

For transporting iron minerals. (Cogne in Val d'Aosta)



ONE OF THE ARTIFICIAL LAKES

Formed to regulate the flow of the mountain torrents. (Corfino in Tuscany)

decade will see remarkable things happening in the hydraulic development of Italy.

The supplying of water-power, without any such use of coal and coke as has been heretofore known in Italy, will mean much to the country. The increase in the importation of coal and coke by Italy is shown by the fact that in 1901 she imported 4,839,000 tons, and in 1912 her coal and coke importation amounted to 10,057,000 tons. For a few years, with rapid growth on the part of her industries, she will not be able to keep up with her motive power, but it is expected that in the next two decades at least Italy's water-power derived from exceptional sources will be equal to the enlarging demand of her great cities and her growing industrial enterprises.

As coal is the key to England's manufacturing and industrial power likewise it may be found that the abundant supply of water-power found in mountain streams will be the key to Italy's future material progress.

For the development of these great reservoirs, as well as for the carrying out of the extensive plans for applying hydro-electric power to transportation, foreign capital is needed to match the unique Italian skill in the engineering and construction of such works.

As great American engineer-financiers, of whom Frederic Pearson who went down on the *Lusitania* was an example, have gone to Mexico, to Brazil, to Barcelona, and other parts of the earth to build dams and erect vast power-plants, so in this new day of Italy's

industrial opportunity there is a most attractive field for the employment of American capital and leadership in the Italian peninsula.

In many respects to-day Italy is in better shape from a financial and business point of view than either Germany or France. The war brought to her fresh courage and new resources in the redeemed Trentino and Triest, not only rich in water-power but strategically located for commerce and shipping. The attitude of Italians toward the United States is naturally kindly, and they welcome Americans and American capital, knowing the United States has no "penetration" policy for gaining undue power abroad. Recently laws have been introduced in Italy freeing the investment of foreign capital from the former taxation, and the investments already made recently by American firms—witness the financing of the port of Palermo by a New York company—have met with favor and with promise for future reward.

Italy's policy is scientifically progressive at present. Her advanced plans for the harnessing of her great watercourses are but one of the many signs of her industrial renaissance.

CHAPTER VII

MERCHANT MARINE AND PORT DEVELOPMENT

GEOGRAPHICALLY, as well as by tradition, Italy should be a great seafaring nation. History is filled with the glorious deeds of Italy's merchant fleets in the medieval period, while even in more recent times immediately before the unification of the kingdom the mercantile marine of the Italian states held an important position. After 1860, the importance of Italy's marine activities increased, new shipyards were built, which in some years obtained an output of 100,000 tons, and the growth of the fleet of sailing vessels increased from 643,946 tons in 1862 to 987,190 tons net in 1875.

Meanwhile a complete revolution had taken place in the shipping world. Iron ships came to replace wooden ones, and these iron ships in turn had been superseded by steel. There was also a great development in naval construction, making possible the building of larger vessels while the world was entering upon an age of steam-power.

Italy then was not a rich country and was not in position to keep up with these innovations, and her mercantile marine declined. The total tonnage, in-

cluding both steam and sailing ships, in the year 1875 was 1,044,337. By the year 1885, however, it had fallen to 953,419 tons, and in 1895 it had gone still lower to 776,077 tons.

It was from about the year 1895 that Italy dates the beginning of her present economic revival. Her national resources and her revenues began to increase, her industrial and agricultural productions grew rapidly, and she became gradually a factor in international trade. These developments naturally related themselves to the mercantile marine, pressed forward naval construction, and again made the ports of Italy thriving centers of shipping and commercial activity.

Italy's merchant fleet during these years grew not so much from increased construction as by purchase of steamers from foreign countries by ship-owners who had realized the dominance of steam over sail. The sailing fleet of Italy diminished, but Italian shipping and tonnage increased.

In 1895 the net tonnage of steamships was 220,508, while the net tonnage of sailing ships amounted to 555,569. In 1914, at the time of the opening of the war, Italian steamship net tonnage reached 933,156 and her sailing ship tonnage had decreased to 348,959.

The Italian mercantile marine suffered severe damage during the war, along with other Allied shipping. The submarine campaign brought a loss to the naval forces of 1,374,000 tons gross, and the merchant fleet was reduced to 586,000 tons gross.

To this last figure there should be added, however,



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PALERMO

Queen City of the Sicilies, where the medieval and the modern meet

370,000 tons of enemy shipping interned or captured, 210,000 tons of new construction, 116,000 tons purchased from foreign countries, and certain tonnage from confiscated vessels.

The Italian steam fleet, therefore, on December 1, 1918, was approximately 1,288,000 tons.

Naval construction in Italy shows a yearly average of tonnage between 1892 and 1919 as follows: between 1892 and 1902, 23,000 tons; 1903 to 1913, a yearly average of 26,200 tons; between 1914 and 1918, a naval construction on the average each year of 30,700 tons; while in the year 1919 Italy's naval construction reached 57,000 tons.

The Italian mercantile marine since the closing of the war has increased its gross tonnage of Italian steamships from 1,288,000 tons in 1918 to 3,000,000 tons in 1920.

Even during the war, between 1915 and the autumn of 1918, Italian naval construction gained a total of 142,000 tons gross.

At a meeting of the Ministry of Transport in December, 1919, ship-building representatives pledged themselves to supply 700,000 tons of shipping a year, provided the Government guaranteed a definite basis for maritime legislation.

Some of the largest navigation companies of Italy have under construction, or have recently completed, new transatlantic liners of magnificent proportions, while several cargo vessels have been purchased abroad either through government intervention or directly by

ship-owners themselves. Others are being built in English and American yards, while by the annexation of the Venezia Giulia from 600,000 to 700,000 tons of shipping will be added to the Italian mercantile fleet. There is in Italy a newly awakened spirit of enterprise to build and possess a mercantile marine whose comparative size and efficiency will rival the fleets of Italy's ancient days of maritime prosperity.

Closely associated with the development of Italy's mercantile marine is the growth in the modern construction of her large ports. With the development of the desire on the part of Italy to become an increasingly important factor in the trade of the world, the necessity for deepening and otherwise developing her harbors was forced upon her immediate attention.

This idea of increasing economic solidarity and trade relationships between nations through shipping was brought out in a speech of the American ambassador, Richard Washburn Child, in the inauguration of the harbor works at Palermo. A New York firm, McArthur & Company, are working on a contract for the developing and financing of these works to the extent of \$10,000,000. There will be provided for Palermo an excellent, modern, deep-water harbor, to which is annexed an industrial zone of two hundred acres. This project is significant of an expanding triangular market involving the United States, Italy, and the Mediterranean basin. With the success of this project, which promises to make Palermo one of the principal ports of Italy, it is expected that American

capital will be attracted to Italy for investment in similar fashion for other national seaports of the country.

There is a rumored Anglo-Italian agreement for the utilization of the port of Triest as a trading emporium for the Near East. Few port cities have a more favorable geographical relation, and with proper harbor facilities and trade arrangements Triest should become a great exchange port between Europe and Asia.

The effort of Italy to develop her national resources and wealth-producing assets, by means of a policy of public works, has been evidenced in the new seaport of Venice. This project was planned in 1917 while the nation was still absorbed in war, and it is only recently that it has been taken up with vigor by the King. It is said to be the first of similar undertakings in which Italy is planning to spend considerable thought and money in the next decade.

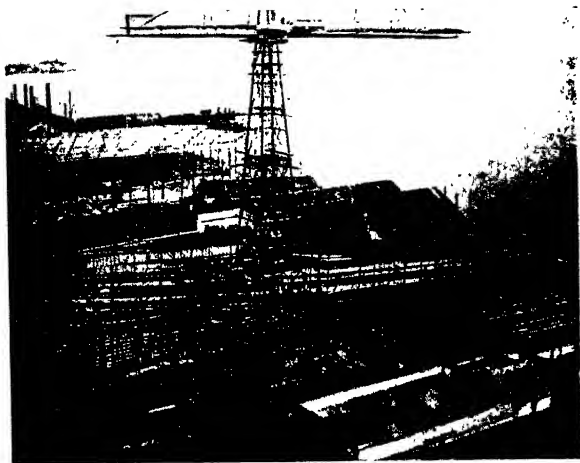
That this new port of Venice, Porta Marghera, was needed may be seen from the fact that during the war it was found that the maximum business that the port of Venice could handle was limited to 3,000,000 tons a year. A victorious peace has greatly extended the zone of influence and trade tributary to Venice, while this port is a natural outlet of a wide system of inland navigation that is now being constructed connecting Milan and the leading industrial cities of Lombardy and Venetia with the sea. The contract for this improvement was signed by the Government, the

municipality of Venice, and the company formed to carry on the work, which is presided over by Count Volpi. The work was begun in the spring of 1919, and after three years of steady activity the entrance canal was opened to navigation by the king on April 17, 1923.

The port is reached by a canal nearly three miles long running to the Mestre Venice Bridge, and the harbor works extend over nearly two and one half square miles, with seven miles of wharf equipped with the most modern machinery for loading and unloading. These are connected by rail with the Mestre trunk-line and have an annual capacity of 10,000,000 tons of merchandise.

A detached port has also been built for oil-tankers, containing a storage-room for 200,000 tons of petroleum. Two industrial zones, each covering an area of two square miles, are connected with the port, while a ship-canal brings accessibility to navigation, and twenty miles of railway connect these works with the main railway line. There are several factories producing building material already at work, and two large ship-building yards, engineering and steel mills, a refrigerator-plant, and a large lumber and saw mill are planned to be opened in this vicinity in the near future. In the immediate neighborhood, also, a garden city to house 30,000 persons is being erected; this is already partly inhabited.

The extent of these improvements is shown by the fact that 100,000,000 lire have already been spent on



STEAMSHIPS UNDER CONSTRUCTION IN ONE OF THE NUMEROUS SHIPYARDS OF LIGURIA



MOUNTING CHASSIS IN A LARGE AUTOMOBILE FACTORY (TURIN)

these works, which in full working capacity will give employment to 15,000 men. The works will be equipped with 30,000 horse-power.

At first sight it would look as though these modern materialistic improvements in Venice would submerge the historic and artistic attractions of the "city of the lagoons." This has been guarded against in the construction and, while the port of Venice promises again to become one of the great ports of the Mediterranean, the city will not cease to attract the usual multitude of travelers, artists, and lovers of beauty from the ends of the earth. This new port is destined to become a connecting link between the sea-borne traffic and that coming in from the whole Paduan valley through the use of the inland canal system. Not only will the population of the city of Venice be greatly increased in the coming years by reason of these improvements, but this entire vicinity will be stirred by the attendant large industrial developments.

Genoa, usually considered the greatest port of Italy, accounted in a recent year for about one tenth of the total tonnage of incoming and outgoing ships with 14,457,442 tons, while the merchandise landed and embarked amounted to 23 per cent (7,446,006 tons).

The import trade of Genoa greatly exceeds the export trade; in one of the last years of normal activity before the war, 1913, more than 6,000,000 tons were unloaded at Genoa and a little more than 1,000,000 were shipped. There are gratifying indications, however, of a gradual increase in exports. Port condi-

tions, which have been greatly handicapped by trade organizations during the last few years, have improved greatly with the dominance of the Fascisti and the new Government.

The port of Venice is second in importance, and in normal times its outgoing ships represent a tonnage of about 4,500,000. There has been great growth since 1895, when this tonnage was scarcely 2,000,000. Here, as in Genoa, importation has greatly exceeded exportation in recent years.

The largest port of the Adriatic, Triest, in 1914 had a tonnage of incoming and outgoing vessels exceeding 10,000,000, while 3,500,000 tons of goods were shipped and unloaded. The traffic in the port of Triest increased threefold in value from the period between 1880 and 1890, when it amounted to 658 million crowns, to 1913, when it was more than 1,800,000,000 crowns.

Naples holds first place in maritime movements (18,538,131 tons in 1913) and in the number of passengers embarked and disembarked, of which there were nearly one million in 1913. Naples, however, is far behind Genoa in point of cargo and is surpassed even by Venice. The future of commercial Naples is closely bound up with the destiny of the southern provinces, which is true of the other southern ports—Palermo, Catania, Messina, and Bari. The growth in agricultural and industrial projects has been so marked of late that plans are being made for developing in the near future a number of these southern Italian ports

in line with the development that is being carried on at present at Palermo.

The increase in maritime movement in Italy is revealed by the fact that the net tonnage of ships entering and leaving Italian ports in the year 1914 was 110,368,000 as against 77,012,000 ten years before. Merchandise from the East, from northern Africa, and from America, even, arrives at Genoa, Venice, and Triest for distribution in the countries of central Europe, while the products of central Europe find in these ports a receiving and collecting center for goods to be shipped to the same distant shores. Between 1895 and 1913 the maritime and commercial movements in Italian ports were more than doubled, and, judging from the work now projected and under way, it may safely be asserted that the maritime and shipping business of this country will experience a revival similar to the one that is occurring in industrial and agricultural lines.

CHAPTER VIII

ITALY AND HER FOREIGN TRADE

As regards her foreign trade Italy leans towards North America, particularly because of the fact that the latter is rich with raw and semi-worked material, machinery and agricultural implements, plentiful capital for financial public enterprises and up-to-date organizations, speedy and practical methods. Besides, the United States do not entertain imperialist views of any sort as far as Italy is concerned.

ARMINIO CONTE.

THE potentiality of Italy's foreign trade and the products and business methods involved in the same are of vital importance now that Italy has begun anew since the war to look upon the wide world as her field. Without actually being in the country and visiting the growing industries and the large banking concerns engaged in financing and assisting overseas business, and without seeing the Italian ports filled with activity and shipping, no one can appreciate how truly the country has been undergoing a trade revival and enlarging its commercial relationships with other countries.

With the purpose of trying to get the point of view of Italian business men relative to their preferences for trade, we asked a wide circle of men of affairs the question:



GROUP OF PETROLEUM WELLS (PIACENZA)



THE FAMOUS MARBLE QUARRIES OF CARRARA

Nothing the greatest artist can conceive
 That every marble block doth not confine
 Within itself; and only its design
 The hand that follows intellect can achieve.
 —"The Artist," Longfellow

"With what countries does Italy prefer to trade, and for what reasons?"

One of the answers by an Italian engaged in import and export trade was as follows:

It is rather a puzzling task to state, in an absolute way, which country Italy prefers to trade with. There must be considered first the diminished purchasing power of Italian money as well as the high rates of exchange; Italy, therefore, under present conditions would naturally prefer to direct her exportations toward countries with money at standard value and to import as far as possible from countries with depleted money. She would export particularly silk and cotton fabrics, raw silk, raw cotton (reëxport), wines, olive-oil, and other agricultural products as well as industrial products such as automobiles, tires, and a large variety of goods manufactured in considerable quantities since the war.

Italy would import raw materials necessary for her industrial activities, coal, coal-oil, wheat, alimentary products, scientific instruments, certain metals and phosphates, together with modern machinery and luxury articles. It is significant to note that the importation of manufactured goods of every description, because of the progress achieved by Italian national industries, is gradually falling off, while the importation of raw material and semi-manufactured articles is increasing.

It is particularly true now, when new commercial agreements are being arranged and existing ones renewed in the interests of trade with different countries, that Italy is showing a preference for doing business with countries with which an advantageous custom-duty convention has been established, and with those countries that are not carrying on a too pronounced protectionist policy.

Another view expressed by an American economist holding an official position in Italy was that Italians, while not holding decided preferences as to the countries with which they deal, seem, nevertheless, to have a leaning toward trade with Argentina and Brazil, since in these two countries Italians find less dissimilarity of language, business practice, and commercial procedure than they encounter in dealing with some other countries.

We found that there was considerable conviction in Italy upon the subjects of the methods of doing business, and repeatedly when there was no doubt about the existence of mutual markets we discovered that trade was non-existent largely because the methods of carrying it on were either unsatisfactory or not mutually understood.

A representative of one of the leading banks of Italy stated the case as follows:

Italy is favorably disposed to trade with the United States, but she needs trade credit. Germany has always given to Italy such credit, sending her representatives first to see the conditions and to find out accurately the stable and financially responsible firms, then giving credit of three, four, or five months as the case might need. Of course [continued the banker], there are irresponsible firms in Italy as in any other country, but no more here than elsewhere. The fact that the United States, quite regardless of the business establishments with which dealings were carried on, required invariably cash even before goods were shipped has militated against business between Italy and America.

Wheat and corn are staple necessities of Italy from abroad, since Italians are only able to supply their

country for six months with wheat of their own growing. Hard wheat for Italian macaroni and *paste*, which Italy secured formerly in large measure from Russia, is particularly required as an import. Cotton is also needed from America; Italy also buys considerable Egyptian and Indian cotton. The Italian market in the Balkans is a rapidly growing one, and the Italians are getting some oil from the Black Sea section. Oil for steamers, however, is largely obtained from the United States. While two years ago Italy was buying a large amount of coal of the Pocahontas variety from America, the country now finds it almost impossible to purchase this coal because of high freight prices and an exchange unfavorable to Italy. Italy has been securing a certain amount of coal from Germany on account of reparations payments. Phosphates are wanted from the United States and Tunisia, while there is a demand for nitrates from Chile. Italy has plants for the transformation of phosphates, and there is an excellent future for this business.

The cotton industry appears to have the best continued record of all the Italian industries for prosperity, and we were interested to find many American cotton men with branch offices and good business in northern Italy. The American Chamber of Commerce at Milan, as well as the various American consulates in North Italy, have helped this business, as indeed they have greatly assisted all American trade in Italy. The Italian cotton-mills have been busy since the autumn of 1919 with few interruptions, in the face of the world-wide depression that began in 1920 and made

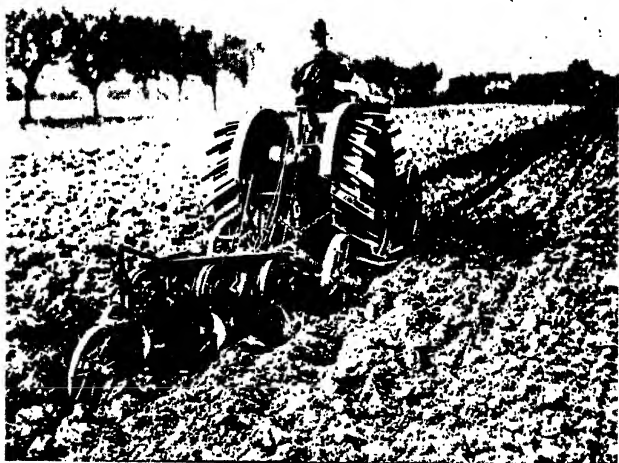
itself felt in Italy early in 1921. The cotton business is old and well established in Italy and is kept up to date in equipment. Italy's woolen business, which is centered in the Biella district of eastern Piedmont, is now experiencing a fair degree of activity, despite the slackened period of the past year or two; mechanical specialties such as automobiles and aëroplanes have a promising future.

There seems to be general difficulty on the part of business people in America in understanding methods, selling or buying terms, and general procedure of business in Italy. One hears there of the need of establishing trading houses with a diversified business, buying and selling a large number of products in both countries. This would entail the employment in such organizations of officials and employees thoroughly conversant with the intricacies of international banking, and foreign exchange, not omitting an intimate knowledge of the Italian character and way of doing business. It is also important that in such business organizations there should be included men of both American and Italian nationality, for any business firm is seriously handicapped when doing business in a foreign land and having no representatives of that land at hand for conference over methods, practices, and modes of trade.

Another need readily discovered in Italy relative to the trade methods was that of having personal representatives in the country with actual samples of goods, if any really successful business is to result. To the



THE MODERN TRACTOR GREATLY FACILITATES THE ITALIAN HARVEST



MODERN MACHINERY IS REVOLUTIONIZING AGRICULTURE IN ITALY

When tillage begins other arts follow. The farmers, therefore, are the founders of human civilization.—Daniel Webster

average Italian, America is very far away, and to send catalogues either in English or Italian is a sure way to prejudice the prospective customer against the seller. American consuls in Italy have repeatedly told me that they had hundreds of catalogues from American firms, most of them in English, which no Italian business man had ever looked at or would ever look at. The personal element in the form of a flesh-and-blood salesman who speaks Italian fluently is the chief and indispensable factor in trading effectively with Italians.

In many of the cities, Florence, for example, business is largely a local matter, and trade must be brought to the merchants by agents who usually visit the city at frequent intervals from a central office often located in Genoa or Milan. As a matter of fact, a great many of these agents, probably the greater part of those from other lands, have been Germans, and they bring samples of goods and make up their orders in exact accordance with the wishes of the Florentine merchants and buyers. Here, as throughout northern Italy, sympathy leans toward Germans rather than toward the French, together with a desire to renew the old trade relations which meant so much to Italy as well as to Germany before the war. When asked why they prefer to trade with Germans, Italians will usually reply that it is because the Germans give credits, study the Italian markets closely in order to make what the Italian wants rather than what the Germans desire to make, speak Italian, and in general adapt themselves to the country's customs and business arrangements. It may also

be observed that before the war German business houses made sure that their banking arrangements with Italy were properly safeguarded, and in the well known and powerful Banca Commerciale they gained such influential standing as to make possible the financing of large and successful enterprises.

Some Italians will tell you that one of the best and surest methods of establishing sound business relations with Italy would be for the United States to cancel the debt owed by Italy to this country. This position, however, is not held by all Italian business men, and a better financial method for securing favorable trade relations with Italy will doubtless be along the line already undertaken by certain American firms, namely, the financing of new port works and hydro-electric enterprises, or investment in agricultural developments in the south of Italy, where modern methods and machinery are greatly needed.

In order to form any satisfactory or trustworthy opinion of the possibility of foreign trade on the part of Italy, it is necessary to examine the period before the World War. The present condition of trade, not in Italy alone, but in virtually any European country under the present handicap of exchange, gives little indication of what commerce may be like in normal times.

An examination of the imports and exports of Italy during the twenty years from 1890 to 1910 reveals the somewhat amazing fact that Italy made greater progress in foreign commerce during those twenty years

than any country in the world, the United States and Germany not excepted; both the imports and the exports of Italy doubled.

If we reckon the imports and exports of 1890 in the different countries at 100 per cent, the figures in the following table issued by the director-general of commercial affairs for the royal diplomatic and consular agents will denote the comparative percentage for the year 1910:

IMPORTS		EXPORTS	
	<i>Per Cent</i>		<i>Per Cent</i>
Italy	343	United States	226
Belgium	237	Italy	224
Germany	207	Germany	224
United States	190	Belgium	204
Great Britain	162	Great Britain	165
France	152	France	161

The percentage of comparative increase in imports has been nearly the same for both raw materials and manufactured products, but higher for food-stuffs; in the matter of exports, however, the percentage of increase has been by far the greatest in manufactured goods. This has been due very largely to the ever-increasing tendency in this coal-less land to employ as motive power electricity generated by the hydro-electric power-houses tapping the streams that flow down from the Alps and the Apennines. The increasing number of factories and mills even in central and southern Italy, as well as in the industrialized north, strikes the traveler emphatically if he has not visited Italy in

recent years. Manufactures in 1892 represented but 13 per cent of the exports of Italy; in 1909 they represented 25 per cent of the country's exports.

The silk business is a fitting example of this increased activity in industry and represents somewhat more than one third of the national exports. These silk products more than quadrupled between the years 1876 and 1906, while exports in manufactured silks quadrupled between 1871 and 1909.

Cotton manufacture has had a similarly rapid growth, the shares of corporations engaged in this business having increased from 18,946,582 lire in 1882 to 249,810,000 lire in 1908. This reveals in the cotton industry an advance of thirteenfold.

In order to avoid as far as possible the economic crisis which might arise from a complete shutting out of Italian immigration in North or South America, the country looks forward to the hope of substituting for her workers the undeveloped countries open to Italy's colonization, Tripolitania and the East African possessions of Italy. It is pointed out that Tripoli is situated at the very door of southern Italy, the distance from Syracuse to Tripoli being the same as from Syracuse to Rome and less than half of the distance from Syracuse to Turin. From Naples, which is becoming more and more an industrial possibility, with some of the large cotton-mills of the country in its environs, the distance to Tripoli is little more than to Turin.

When Tripoli becomes eventually Italian in population, this territory, which contains an area larger than

all Italy, is likely to become as integral a part of the Kingdom of Italy as are at present the islands of Sicily and Sardinia. It must be remembered that less than sixty years ago these islands formed no part of the modern unified Italy and that in fact the entire spirit of nationalism and industrialism of the country is virtually the product of a generation and holds future possibilities of great moment.

Although Italy's business and industrial development of her colonies has been handicapped by her lack of ability to develop them, the country will doubtless find opportunity for the industrialization of her colonies during the coming two decades. Already many Italians have found their way to these possessions, and business in certain lines has been increasing with rapidity.

The date-palm of this Italian North African section, by far the most useful and common tree in Tripolitania, furnishes at present an annual fruit production of nearly four million trees, and the output is valued at a million and a half pounds sterling. The development of this colony, whose total population ranges from one to one and a half million, calls for port works and railway communications in Sicily and the Neapolitan provinces, and will be a great stimulus to the manufacturing and agricultural industries of southern Italy.

Among the chief exports of Italy, moreover, and, in fact, one of her main contributions to the industrial development of the world, is her man-power, the continuous stream of industrious frugal workers which she has sent and continues to send to foreign shores. Al-

though the new immigration laws of the United States have kept at home many thousands of Italian workers who otherwise would emigrate to our shores, the unemployment figures in Italy are not discouraging in comparison with other European countries and are constantly being reduced. Unemployment in Italy for June 1, 1922, amounted to 410,127, as compared with 432,372 on May 1 and 498,606 on April 1. The condition of Italian workers is more conducive to a successful and continuous activity than during the past two or three years, which have been punctuated more or less with strikes and labor difficulties. There is no danger of Bolshevism's getting hold in Italy, and the country, in accordance with its habit of buckling down to economy and hard labor when necessary, gives promise of a successful solution of its financial and industrial troubles.

With her emigrants sending home to the fatherland 500,000,000 lire annually, and with her tourist trade bringing 450,000,000 lire annually to Italy, the country before the war was able to balance her trade budget. Her financial stability is being proved by the manner in which she has reduced her budget deficit during the last year, and the business men of various nationalities throughout the country, together with consulate officials and economists, are unanimous in their conviction that Italy will successfully put her house in order and from now on show a steady growth in her foreign commerce throughout the world.

The mutual trade between Italy and the United

States, the strong blood ties that have been cemented by the fact that more than six million Italians are, for the most part, desirable citizens of our country, the new shipping lines recently established between New York and the ports of Naples and Genoa, and the increasing confidence of American business men in the Italian investment situation and in the Italian industrial revival, all point to a closer commercial relationship between the Italian nation and our republic of the West.

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CHAPTER IX

THE ECONOMIC SITUATION

THE economic background of a country and the conditions that govern its fiscal policy are among the matters of chief importance, and these largely determine the country's place among the nations. "If political conditions had not formed Austria-Hungary," writes a prominent European economist, "economic conditions would have done it." Italy is one with every other state in its desire to secure economic independence, without which all political and social doctrines are more or less futile.

It is encouraging to note that one of Mussolini's first statements upon being made premier was relative to his plans for national economy and the placing of Italian finances on a sound basis. There was abundant need of such attention. The Facta ministry formed in February, 1922,—admittedly a transition government,—was vacillating in matters of finance as in regard to labor disturbances. Italian public opinion has been gradually turning to the conservative position and becoming more and more united against class wars between labor and capital since the socialist and communist uprisings in 1919 and 1920, and the slogan often heard was for an economic policy that would place Italy again in the strong position her finances

enjoyed before the war. Nearly all the Italian party leaders have declared recently their stand for a "policy of strict economy with all the collective and individual sacrifices therein involved."

The course of Italian economic tendencies in the last few years, while at times disturbing by reason of depleted exchange, strikes, and somewhat uncertain political vicissitudes, do not justify a pessimistic outlook. Unemployment has continued to decrease in Italy.

The government budget deficit of the past year amounts to nearly seven billion lire, and exceeds somewhat official estimates. This deficit, however, is only half the size of the deficit of 1920 and four billion lire below that of 1921. The present deficit shows sums reflecting heavy outlays for reduction of prices of food-stuffs, for war claims, and for railway operations. Military expenditures at present form only 14 per cent of revenue, as contrasted with about 30 per cent in France, and these will be cut a half-billion lire in the current fiscal year.

Taxes already 25 per cent of revenue were to be increased in January, 1923; the trade balance shows signs of improvement; inflation of the currency has been checked; and the temper of the country is strong against radical or Red policies, while the Government's support is being shifted from the policies of the extreme Left to those of the Right.

Regarding the more recent Fascisti coup and the agricultural outlook, the American commercial attaché, writing from Rome, says:

But Italy is primarily an agricultural country. The fall crops ripened and took thousands out of the ranks of the unemployed; heavy rains in late summer fell in abundance and saved the crops; fine propaganda work by agricultural associations resulted in energetic development of cocoon and mulberry-leaf production; commercial agreements were made to admit silk goods at favorable terms in other countries; the wool interests announced that Italy cannot do its own wool-combing and spinning independently of other countries; the cotton industry reported that nearly all its spindles and looms were running full time and with four months' orders ahead; the Fiat works began to put on a night shift—an exceptional item in view of the fact that such a large share of automotive products must be exported. The very latest information adds to these factors a final item that inspires confidence in that the Fascisti have been able to accomplish their coup d'état without calling their 800,000 adherents among workers away from productive labor.

Italian industries are recovering economic health. The Italian metal and engineering trades have had to cope with great difficulties. It has been necessary for these trades to pay the war-inflated prices, and they have been caught in the tides of post-war speculative booms and have been obliged to pay higher wages than their competitors in Germany and Austria. The average daily wage in these trades expressed in lire is 8 in Germany, 0.80 in Austria, and 26 in Italy, while the cost of coke stands at 57 lire in Germany as compared to 320 in Italy, and that of scrap-iron at 196 lire in Germany and 350 to 400 lire in Italy. These industries are of very great national importance to Italy,

the metal trades employing a share capital of three and one half billion lire and the engineering trades about seventeen hundred million lire.

Italy has had her failures and some of them in large industries. There was a failure of two big concerns called the "3,000,000,000-lire failure," which caused the suspension of one of the largest banks. The matter was handled so well that there was no panic, and the trouble did not spread to other banks. These companies and the bank have been reorganized and look forward to a future without certain speculative elements and undue expansion that were partly responsible for the downfall.

Direct taxes have now become the fundamental basis of the Italian financial system. Somewhat drastic changes have been made of late in this as in other forms of taxation. Taxes are now generally conceded to be quite as high as business can sustain, and, in the words of an Italian economist, "the limit of reasonableness had already been exceeded by the law authorizing the state to confiscate all excess war profits." Certain large Italian fortunes are now paying a maximum of 50 per cent, and the revenue derived from taxation forms more than 18 per cent of the national income, which is a decidedly high figure for a country like Italy.

Taxes on estates, which ranged before the war from 1 per cent to a maximum of 22 per cent, now vary from a minimum of 1 per cent to a maximum of 75 per cent, while in special cases the tax becomes as high on estates as 80 per cent. Luxury-taxes cover a wide field, as

travelers and patrons of hotels and restaurants can testify, while the increase in the yield to the Government from fiscal monopolies on salt, matches, playing-cards, and tobacco is notable: these last account for no less than one third of the total yield of taxation.

There is an attempt to reach the farmers by taxation together with all those classes that have not seemed to be bearing their fair share of taxation. Money is needed in Italy for new developments in the field of electrification of the railways, of enlargement of the ports and of development of the larger type of industries to which the Italians have become accustomed during the war—industries comprising metal and engineering shops, the iron mines of Cogne, the hydro-electric plants of Lombardy and Piedmont, the lignite mines of Tuscany, the manganese mines in Sardinia, and the many works having to do with the manufacture of automobiles, aëroplanes, cement works, and ship-yards.

Fluctuation in the Italian exchange represents a serious obstacle to trade, and purchases in the United States have been limited largely to commodities not to be obtained elsewhere. Naturally, Italy has drawn her supplies from countries where the rate of exchange was favorable. At the beginning of July, 1921, the dollar stood at about 20.50 lire, but by the middle of October it had passed 26. This figure was not maintained, and at the end of December the rate had declined to about 23. The exchange value of the lire varied more than 25 per cent in 1921 and 1922, which affected and still

continues to unsettle the situation for normal trade development.

One of Italy's problems involving the need of government financial assistance is the ship-building trade, the capacity of which has greatly increased during and since the war. Italy has always been a seafaring nation, and the sentiment throughout the country is to aid the building of ships, so important for the nation's carrying trade overseas. There is now a bill proposed by which the main Italian ship-building yards will receive subsidy by the Government for the construction of mixed cargo and passenger steamers which shall not exceed fifteen hundred lire to the gross ton. The Government is convinced that it must come to the rescue of the ship-builders despite the fact that Italian vessels aggregating nearly eight hundred thousand tons were laid up in the early part of 1922.

It would seem to be a strategic period of far-reaching importance to Italy's commercial and economic future. The new Premier seemingly has the confidence of the major portion of the inhabitants, and his reforms, if carried out with wisdom, should set the country ahead at least a whole generation. It is yet too early to prophesy what Mussolini, the successful and present all-powerful ruler of Italy, may be able to do in the reconstruction of the complex financial affairs of the country. His is a radical method of hastening the pace of slow-moving parliaments. But American firms may well consider Italy, for with one party or another, with a dictator-premier or with a more democratic adminis-

trator, as the times may demand, this country holds the key to wide influence internationally and industrially. Italy is awake, and for the first time in her half-century of national history is enlarged and united. The Italians have a way of surmounting difficulties, economic and political. They deserve success by reason of what they did in the war and because of their present patriotic and business zeal. They have scotched the Bolshevik snake, at least, and the way seems open for large and useful destiny.

The diffusion and growth of economic enterprise in Italy during the war and subsequently has given the country a new financial and commercial prestige among European nations.

In the year 1887 the details published by the Italian Ministry of Industry and Commerce showed that there were 407 companies with a capital of 1,228,600,000 lire. The next decade revealed a moderate increase. Then the joint-stock companies, under whose management the largest industrial and commercial firms of Italy are conducted, began to appear on the scene in considerable numbers; the war greatly enlarged industrial undertakings; and in these post-war years Italy has been making rapid strides economically. The result is that at the end of 1919 the number of joint-stock companies has reached 4422 with a total capital of 13,000,000,000 lire. These companies in 1919 had issued bonds to the amount of 2,440,000,000 lire, which gives a hint at the importance of the companies in Italian economic life.

The war was a quickener of the country's financial and technical activities in the erection of new factories, in the transformation of old plants, and in the introduction of new methods and expensive mechanical improvements. To such a degree was this true that between January, 1915, and December, 1919, the net investments in joint-stock companies attained a total of over seven billion lire. During these seven years the largest investments were in mechanical and metallurgical industries, which absorbed nearly two billion lire, while next in order of amount of investment was communication and traffic, which required about one billion lire, and electrical industries, which took a slightly smaller amount, with credit establishments, chemical and organic industries, mining, textiles, and a long line of commercial undertakings and industrial trades following.

Industry absorbed the major part of these new investments. A powerful impetus was given to the iron, mechanical, chemical, and mining industries, and the genius of the Italians was taxed successfully to bring into existence several industries heretofore unknown in Italy to meet the demand for products that had previously been imported. This was especially true in the chemical, mechanical, and iron trades. The mining industry has turned its energy to the increased output of national fuels and the construction of new hydro-electric stations, under favorable legislation, utilizing one of Italy's important sources of wealth.

Transport trade both by sea and land has been greatly stimulated, while agricultural institutions have sprung up and notable advances have been made in the development of Italian lands and crops. The position of Italian joint-stock companies at the end of 1919 was such as to give the Italians a confident expectation of taking a real part in the world's industrial and trade enterprises.

The coöperative movement in Italy has been a team-mate of the joint-stock companies in strengthening the economic life of the nation. This movement is worthy of the study of Americans and presents many original and characteristic features.

Whichever way one turns, a coöperative society of some kind confronts one. These societies are formed in Italy at the rate of a thousand new ones a year, and the report of the minister of labor on March 31, 1921, announces that there were nearly twenty thousand legally constituted coöperative societies in Italy. In Great Britain only fourteen hundred of such societies are reported to exist. The principal groups using coöperative machinery were agriculturists, the labor groups, banks, industry, and traffic. There are coöperative dairies, chiefly in upper Italy; coöperative distilleries and cellars; olive-oil groups and coöperative tobacco growers, as well as credit societies and societies coöperating for the furtherance of the interests of the working man, for silk and bee culture and wine production, and agrarian societies covering a wide range of products.

Labor societies include 286,000 members, having reserve funds of 30,000,000 lire, with plants and material valued at 230,000,000 lire. These labor societies in 1922 were executing contracts involving 670,000,000 lire and had paid out more than 213,000,000 lire in wages. The union of metal-workers' coöperative societies formed in 1919 is reported to have laid plans to take over the dock-yards at Naples and Venice, together with a number of the large arms factories. That such plans will be halted and probably vanish in the face of the new Fascisti Government is quite likely. One of the weaknesses of the coöperative movement in Italy is the multiplication of small societies which find it hard to withstand competition. The coöperative bodies own thousands of acres of land in their agricultural sections and control other thousands.

The Italian banks, indeed a varied group of banks, financing merchandise, securities, and agriculture, supported by a prosperous bank of issue and reinforced by two state banks, collect, invest, and distribute the people's savings. The successful combination of these banks with the thrift and energy of the race has resulted in remarkable accomplishments on the part of the Italian people as regards savings and investments. Even in the darkest hours of the war Italians contrived in some way to save money. The small savings of the Italians in 1914 had increased by about seven billion lire by 1919. This phenomenon, moreover, is not to be explained entirely by the influence of paper money, the circulation of which rose from three to

fifteen milliards between 1914 and 1919. It must be remembered, too, that during this period the small investor was constantly subscribing to war loans, and these war loans amounted as a whole to 35,600,000,000 lire. Altogether, up to June 30, 1918, Italy had spent forty-six billion lire on the war. This means, of course, that Italian citizens faced the discipline and sacrifice of remitting in rates and taxes as much as would meet the new obligations incurred by the state. The various war loans of Italy are considerable for that country, and the five different issues between January, 1915, and January, 1918, amount to a total of 15,072,000,000 lire. To these loans, represented by consols or state bonds, must be added those negotiated through the sale of treasury bonds of varying issues and duration, amounting altogether to about 11,000,000,000 lire on May 31, 1919.

The Italian's thrift in war time was matched by his charity and patriotic use of wealth. When the call came to contribute to the civil relief committees operating in the principal cities and towns, and to institutions for war invalids and cripples or war refugees, and to the Red Cross, millions were given without measure by all classes. At one time an appeal was made for the collection of gold from private safes and jewel-cases. Italian men and women from every province vied with each other in sending for the use of the national treasury medals, watches, necklaces, rings, ear-rings, bracelets, gold pieces, trinkets of every kind with which to replenish the state's metal reserve, much as the old Romans did during the Punic Wars.

The wealth of Italy before the war was valued at ninety billion francs; the wealth of France at 285 billion; and the wealth of England at 450 billion. Italy had a yearly income of fourteen billion lire; France's yearly income was thirty-two billion, and England's sixty-six billion lire. France and England, however, have many thousands of millions invested in government or industrial securities abroad, while Italy, on the other hand, had a large mass of foreign capital invested within her own gates, while her foreign investments were comparatively small. The amazing financial effort of Italy resulting in her present condition of economic stability is a revelation of the potentialities of the race. The Italians have their own way of muddling through financial difficulties, but the fact of importance to consider is that throughout their past history as a united kingdom, as well as at the present time, even in the midst of a period attended by unusual revolutionary conditions, the country finds a way to raise money and meet its national obligations.

It is significant that in the midst of these post-war periods, so threatening to many European countries financially, Italians in the year 1919 had to their credit in the national savings-banks 17,500,000,000 lire.

The Italian ordinary banks at the end of June, 1917, numbered 211 and the coöperative banks 748. An outstanding feature of the Italian banking system has been the coöperative idea. The uniting of coöperative banks into powerful federations, by strengthening their activities and extending their operations in various directions, has been greatly for the benefit of com-

mercial undertakings, agriculture, and labor. Italian savings-banks are distinguished from limited companies by their small capital and also by the magnitude of their deposits. The Italian believes in savings-banks, and his faith has been justified by the exemplary solidity these banks have displayed and by their close harmony with coöperative societies.

The ordinary banks are also noteworthy, being established on domestic principles with shares at a low nominal value and within the reach of limited incomes. The confidence they inspire may be gaged by the fact that deposits are frequently ten times as great as the capital invested. These banks have invariably refused to employ their deposits in speculative transactions.

There are four great credit banks in Italy founded with the principal object of directing, supporting, and developing the financial and economic resources of the country. The oldest of these, tracing its origin to the Banca di Genova founded in 1870, is the Credito Italiano, established in February, 1895, with a capital of fourteen million lire.

The Banco di Roma dates from 1880, when it started with a nominal capital of six million lire. Then, next in point of time, comes the Banca Commerciale Italiana, founded in 1894 with a capital of twenty million lire. The last of the large credit banks to be established was the Banca Italiana di Sconto, founded in December, 1914, with a share-capital of fifteen million. This latter bank, while it fell upon



DRYING ROOM IN A MACARONI FACTORY (MILAN)



A VAST WINE CELLAR IN PIEDMONT

"While man is born, and laughs and dies,
He shall drink wine, and seek blue skies"

difficult times in the deflation period subsequent to the war, has been reorganized under the name of Banca Nazionale di Credito.

In an interview with one of the officers of this bank in Rome it was stated that the new bank would in no way take over the responsibilities of the Banca di Sconto, though it would doubtless occupy the beautiful new building erected for it on the Corso in Rome. The policy of the Banca Nazionale di Credito will also be quite different and far more conservative. It was stated that the Banca di Sconto formerly had three hundred branches and employed upward of six thousand employees. The new bank would have no more than seventy branches and would employ a comparatively small working force in the beginning.

The function of these banks is to grant credit, not to trade. Undoubtedly the difficulties in which the Banca di Sconto found itself were due in part to its somewhat too close speculative relations with the large Ansaldo Steel Company. These credit banks have greatly aided the furtherance of Italian commerce, also participating extensively in the share-capital of large foreign banking and industrial organizations. The mission of these promoters of economic welfare, in a country possessing more than four thousand limited companies for trade and industry, is rich with promise for the future.

The history of the Banca Commerciale Italiana, which has interested itself primarily in developing the industrial resources of the country, shows a remarkable

growth to its present widely influential position. At its beginning this bank absorbed about four fifths of the joint-stock banks, financial trusts, and company-promoting firms. It controlled the important shipping lines before the war and half of the electric supply companies, and its officers were on the directorates of the big steel companies, while it was not without large influence in press and politics.

In 1895, about the time this bank was founded, Italy was in financial distress. The French money market closed, Crispi turned to Germany for aid, inviting German capitalists to form a commercial bank in Italy.

At least 74 per cent of the twenty million lire for the founding of this bank was put up by German, Austrian, and Swiss capitalists. The Germans took care that its commercial connections should be German, thus assuring large importations of German materials and products. They also took the precaution to put in for the most part Italian officers, although it was quite generally appreciated that this bank was in the control of Germans. This fact was amply proved at the opening of the war.

The Banca Commerciale took particular advantage of the trade openings provided by a new treaty for the development and exploitation of the nascent hydro-electrical industry. Originally the German shares in this bank numbered 29,700 and the Italian 6800. In 1914, however, the German shares fell to 7400 and the number of Italian shares rose, yet the leadership of the bank's policy remained in German hands. Ital-

ians had confidence in the bank, and poured in deposits, which amounted in 1913 to 232,837,000 lire. During the more than twenty years of the bank's life it has taken a hand in the development and establishment of 150 companies with a capital of 1,133,000,000 lire, and it has financed railroad companies and large private firms.

Of 1000 public companies registered in Italy in 1918, only 160 were in existence before 1894, and 900 have been registered since that date. Of these 900, 183 are electrical concerns, of which there was not one in 1894. Of the fifty-eight Italian banks of special prominence at present in Italy, thirty-three were founded after 1894—all of which shows the comparatively recent as well as the rapid economic development of the new Italy. There has been a veritable economic *Resorgimento* going on in Italy during the last quarter of a century, and the banks have furthered this revival to a very great extent, in relation both to industry and to foreign trade.

There are three thousand rural and agrarian banks, which are of great importance to Italy, since they finance the small proprietor, the peasant cultivator on the metayer system, the tenant-farmer, and the peasants who are in need of working capital for long terms. These banks have extended the coöperative principle of the national credit system, banished the money-lenders from the country districts, and greatly improved the position of the hard-working mass of peasantry, who represent 34 per cent of the population,

exclusive of persons under ten years of age. Italian agrarian economy, with a capital of less than six millions, has acquired 482 millions of savings, and reveals the stuff of which the Italian peasant is made.

There are three banks of issue in Italy: the Bank of Italy, the Bank of Naples, and the Bank of Sicily. These regulate the money-market and financial situation. The issue of notes is undertaken by these banks, and by their adherence to financial integrity they have insured elasticity of credit to the bank-note circulation. The growth of these banks of issue in Italy is shown by the fact that while in 1894 377,000,000 lire represented their bills receivable and advances, in 1919 this amount had increased to 3,618,000,000 lire. The banks of issue, especially the Bank of Italy, were of great benefit to the country during the war in managing the national loans, advances to the Treasury, the placing of Treasury bills, and general financial national supervision. The Italian financier has proved his capacity and sound economic judgment, doing much to make the Italian banking system the stronghold of the economic condition and progress of the Kingdom.

The banks of Italy have been giving considerable attention of late to the perfecting and extending of their organizations in foreign ports, especially in central and eastern Europe and the Levant. This extension has been established by forming new branches or by coöperation with foreign banks. The Bank of Italy, the country's chief bank of issue, opened a branch at Fiume in 1921, and a new Italian bank, the Banco

Italo-Sud Americano, was opened at Buenos Aires. The Bank of Sicily, the smallest of Italy's three banks of issue, has altered its statutes, making it possible for the board to open branches in Italian colonies, as well as in other countries, without the necessity of obtaining legislative sanction.

While the world-wide economic crisis appeared somewhat late in Italy, that is, during 1921-22, the low exchange rate, the failure of the large Banca di Sconto, and the general cessation of large foreign trade activities, brought about anxious conditions. On the whole, however, industry and finance endured well the shock of depressed conditions and gave proof that the economic foundations are firm. In the words of a keen student of the situation, an American economist residing in Italy, "the future is viewed with confidence, and there is every reason to believe that when any marked change takes place it will be for the better rather than for the worse. In certain respects it can already be said that there has been a gradual improvement, and there have been some favorable developments, especially with regard to the financial position of the Government and the labor situation."

A first-hand glance at fiscal conditions in Italy in 1922 would seem to reveal a somewhat discouraging state of affairs, but when it is considered, in the light of Italian economic history, the proved capacity of the nation in settling with satisfaction its financial problems, one may not despair.

During the first eleven months of the fiscal year of

1921-22 government receipts amounted to 11,237 million lire; this is an increase of 1613 million lire over the same period of the previous year.

Direct taxes on income are the chief source of revenue, making nearly four billion lire, or 35 per cent of the total. Industrial monopoly produced 270 million lire, indirect taxes on consumption 1846 million lire, while stamp-taxes, together with taxes on government concessions, etc., produced 1361 million lire.

Along with increase of revenues has come reduction of expenses, and the period from July to December, 1921, the total expenses of the Government amounted to 7748 million lire, as compared with 10,221 million lire for the same period of 1920. This makes a reduction of 2473 million lire. The expenses of the Ministry of War have declined perceptibly, being reduced from 2135 million lire to 1456 million lire. These figures indicate a genuine disarmament, which is part of the Italian policy. Such expenses as army relief, pensions, and food-supply service were reduced in the first part of 1921 to 2792 million lire, which is about half the amount paid for these items in the same period in 1920.

As far as government services are concerned, the state railways seem to head the list in large deficits, this deficit amounting to about one billion lire per annum, while the postal, telegraph, and telephone services are decidedly in the deficit class. There was some talk here and there, about the private ownership of these utilities, even before Mussolini became premier, but it

was doubtful whether this was feasible, since heavy taxation upon private property and the generally depressed condition of business does not encourage private firms to undertake large obligations. Mussolini, however, has taken steps to bring this about.

While the Government may not be said to have solved its financial difficulties until it has actually balanced its budget, it is thought that Italy "has at least reached a point where an equilibrium between its receipts and its expenditures may reasonably be expected at a comparatively early date." With the balancing of the budget, however, the question of the country's public debt arises, and on April 30, 1922, Italy's total public debt amounted to 114,579,500,000 lire. This debt was made up as follows:

	<i>Millions of lire</i>
Pre-war debts	13,453.6
War loans	35,816.1
Three, five, and seven year treasury notes	6,796.8
Treasury notes having a maturity of not more than a year.....	26,037.0
Foreign loans calculated at par...	21,361.5
Bank circulation for account of the state	8,369.8
Five and ten lira notes issued by Treasury direct	2,267.0
Savings-bank deposits	487.7
Total	<u>114,579.5</u>

In considering the Italian debt it will be observed that foreign loans are still carried at the normal rate

of lira exchange. At current rates they would amount to approximately eighty billion lire, which would increase the total debt to nearly two hundred billion lire. Italy is for the present leaving out of account its foreign indebtedness and also disregarding whatever may eventually come to her from Germany on account of reparations. In other words Italy is relying upon the generosity of her creditors until she can place her house in satisfactory financial order.

Taxes are now generally conceded to be quite as high as business can sustain.

In general, it may be said that money is tight in Italy and large resources are still tied up in frozen credits, the liquidation of which will be a slow process.

Although there was a delicate and uncertain condition for a few days following the closing of the Banca Italiana di Sconto, calm was soon restored, and other banks were not seriously affected, showing that as a rule the banking condition of the country was on a sound basis. It may be noted that while there was some decrease in the deposits since June 30, 1920, because of the general business depression, there was on the other hand an increase of 454 million lire in the deposits of the banks of issue.

The discount rate of the banks of issue were maintained at 6 per cent throughout the year 1921, a rate considerably higher than that in other principal countries. This rate has been kept high in order to curb inflation, and there seems to be no indication of its modification.

Postal and ordinary savings deposits have continued to increase, and on January 1, 1922, the ordinary savings-banks held deposits amounting to 8067 million lire, as compared to 7746 million lire on June 30, 1921, the figures for postal savings-bank deposits on the same date being 8295 million lire and 7821 million lire respectively.

It may be noted that security markets and prices continue to improve, and bank stocks stand at a point slightly higher than in 1921, while the textile shares all registered increases. Fiat, an important Italian company, shows a handsome improvement, while the metallurgical group shows the value of their shares coming down to a nominal figure largely because of the collapse of the Ansaldo & Ilva Companies.

There was a steady improvement in the labor situation over 1921, and the laborer revealed a lack of interest in radical experiments which menace his steady employment. There were strikes in the textile industry, which suffered most, as well as in the metal-working industry, but as a rule these strikes were of a purely defensive character and represented protests against the reduction of wages or of the number of workers employed. The strike of August, 1922, of course changed Italian conditions generally, but the tendency of socialists and labor radicals to lose influence was shown for a year previous. The tendency of wages has been downward. On May 1, 1921, the number of unemployed in Italy was 250,000. There was an increase up to February, 1922, when there was a record

of 606,000 unemployed. Unemployment, however, has not been a serious problem in Italy, and more than 100,000 women were included in the above figure, as well as 194,000 agricultural workers, with regard to whom seasonal employment is normal. On May 1, 1922, unemployment stood at 432,000, and on August 1 at 334,242.

The Italian readily adapts himself to changes in his condition and can get along with very little when necessary. Italian climate also makes life easier for the laboring classes.

The following data on wages in Italy are presented by the courtesy of the General Federation of Italian Industries, which published them in its report for December, 1922:

According to calculations recently published by the National Accident Insurance Fund, the average daily wage of the Italian workman was 2.44 lire in 1900, 2.26 in 1910, 3.54 in 1915, 8.84 in 1917, 13.95 in 1919, and 18.91 in the first half of 1921. In the building trades the weekly wage of a mason rose from 28.80 lire on June 30, 1914, to 163.50 on June 30, 1921; the monthly pay of an able-bodied sailor from 100 lire on December 31, 1915, to 696 lire on February 1, 1921; that of a head stoker at the same dates from 160 lire to 833.75; that of a steward from 100 lire to 672.75. In the metal trades the average hourly wage of all workers rose from 0.42 lire in June, 1914, to 3.80 lire in June, 1921, the working week being of sixty hours in 1914 and of forty-eight hours in 1921. Taking 100

as the index of the average wage of a working engineer in Milan in 1914, it rose to 575 in June, 1921.

In the cotton-spinning industry the average daily wage rose from 2.20 lire in 1914 to 13.50 lire on June 30, 1921, but was reduced to 12.15 lire on October 13 of that year. In the chemical trades a man's average daily wage rose from 4.15 lire in 1914 to 23.05 in September, 1921; a woman's, from 1.85 lire to 13.10. In the electrical trades the average monthly salary, inclusive of high-cost-of-living bonus, is about 655 lire, an increase over the pre-war wage of 555 per cent. In the wool spinning and weaving industry the average daily wage, calculated for the whole body of workers—boys and old people, men and women—in the spinning, carding, combing, weaving, and finishing branches, worked out at 0.27 lire in the first half of 1914 and 1.10 lire in the first half of 1920, and increased in April of that year by an extra 6 lire a day.

The wage agreement of July 17, 1920, brought the hourly wage up to 1.85 lire. A further 15 per cent increase in the total wage granted on December 1, 1920, brought the general average hourly pay up to 2.10 lire, or 775 per cent increase over the pre-war pay. Since then considerable reductions have been made (20 per cent in the cotton industry, 8 per cent in the silk industry, 10 per cent in automobile works), and heavy cuts have been made in the metal and engineering trades, in the merchant marine, etc. Now that the cost-of-living index is again on the upward trend, there is little likelihood of further drastic

cuts for the present. Economy in cost of production is sought by increasing the yield per unit, with a tendency to modify the strict enforcement of the eight-hour day, adopted by mutual agreement in virtually all industries in 1919.

From July, 1921, to February, 1922, total Italian imports amounted to 8968 million lire, and total exports to 5277 million lire. The ratio between Italy's imports and exports has been steadily approaching that which prevailed before the war, when imports normally exceeded exports by about 50 per cent.

On July 1, 1921, the new Italian tariff was made effective by royal decree, and is along the same general lines as the old tariff. Italy has negotiated a number of commercial treaties since the new tariff was approved, and agreements have been entered into with Germany, Poland, Czechoslovakia, and Russia, while negotiations have been carried on for trade agreements with France, Spain, and Yugoslavia. The rates of duty are considerably higher than before, but Italy has not committed herself fully to a policy of protection. The country believes in reciprocity and is quite willing to grant reductions to nations that will accord it to Italy. Iron and steel products have received the most important increases, in order to protect this key industry which has found difficulty in surviving foreign competition.

Industrial activities on the whole were reduced considerably in 1922, and this applies particularly to the iron and steel industries. It was estimated that only

about 8 per cent of Italy's blast-furnaces were working in the summer of 1922, while the steel industry was about 50 per cent of normal or the total capacity of existing plants. The Ilva Company has been reorganized, and its capital reduced from three hundred million lire to fifteen million. The 500-million-lire capital of the Ansaldo Company has been wiped out, settlement is being effected with creditors on the basis of 40 per cent of their claims with certain additional shares of stock. It is thought that the creditors of this company will not lose materially in the long run. The Government has claimed more than four hundred million lire from the Ansaldo Company for war profits. The company will operate on a smaller scale, confining itself to ship-building, and to the manufacture of steam and internal-combustion engines, locomotives, and other railway material.

The automobile industry has also suffered from the depression, but the Fiat Company, representing nearly two thirds of Italy's total output, is active and in a strong financial condition. The automobile trade depends upon exports, as the local market is not sufficient. High duties levied upon automobiles in a number of countries have affected automobile manufacturers in Italy. There is a tendency to desire reciprocity in duties here also.

The textile industry has been active and is viewed with confidence. There are a total of 4,078,297 spindles in Italy. The cotton industry, however, rests upon an exceptionally solid foundation and has been

less affected than any other industry by the prevailing depression. A crisis has been avoided in the woolen industry, and there has been a steady demand for worsteds. Woolen production has been reduced to about one half capacity. The silk industry has had its vicissitudes, but the market was firmer in 1922, and a moderate activity existed in manufactured silk fabrics.

The other less important industries—paper, chemicals, and glass—were naturally affected by the drop in prices and by competition from the central European states. The effect of the economic crisis in Italy is seen in the capital invested in stock companies, which showed in 1921 about half of the figures of the previous year.

It is clear that business in Italy must pass through the same general transition period seen in other countries, and war corporations and business with abnormal production during the war must gradually be liquidated and adjustments made to new conditions. The return to normal conditions will be slow, but the spirit of the people is excellent and energy is seen on all sides. In the words of an authority in Rome, "Altogether, the financial crisis has been met quite as well as could be expected, and there appears to be no ground for fearing a general industrial or financial collapse."

Relative to the investment of American money in Italy, the following statement was made to the writer by a prominent Italian business man in answer to the question, "In what form of investment would American money be most welcome in Italy?"

Italy would welcome American money for investments in hydro-electrical installations and development; in the electrification of railroads; in the enlargement for industrial purposes of two or three important ports on the Mediterranean and Adriatic coasts; in the reorganization of Italian steel and metallurgical industries, such as the Ilva & Ansaldo and Cogne, already well known for the importance of their plants and equipment. These plants, however, need to be simplified and brought down to the practical needs of Italian industrial capabilities—made consistent with the existing mines and the local hydro-electric resources.

There is a possibility for capital to monopolize the entire production of iron ore existing in the basin of the Mediterranean, utilizing the German and Austrian plants spread thereabout and at present idle, by employing American ore and coal. There is also the opportunity for capital to acquire the full control of Italian cotton plants, particularly those of the south, by furnishing raw material and reorganizing them to a maximum of efficiency and output. These should serve not only domestic requirements but also the Balkan states, Asia Minor, and, later on, the countries around the Black Sea basin. American money should have an attractive field in the Italian banking business, which just now would welcome financial outside aid. This investment, however, should be accompanied by a keen knowledge of the Italian political and economic situation, recognizing also the activity, thrift, and deeply conservative spirit of the Italian people, who are working daily from sunrise to sunset with the objective of intensifying the culture and production of their native land, upon which they are crowded to the extent of 110 persons for every one square kilometer.

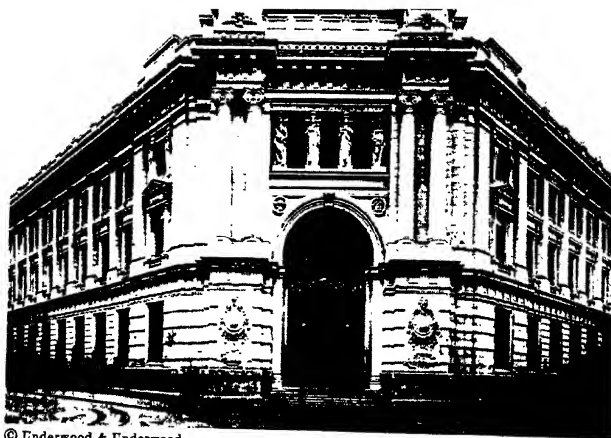
There is one of the four big banks of the country which has the backing of these agriculturalists and which for many years past has devoted its resources

and efforts for maintaining and increasing Italian agricultural industries; an association, therefore, of American industry and capital with this bank should offer splendid opportunities for investment and for the disposal of large stocks of chemicals, machinery, and agricultural implements. Furthermore, an employment of large capital would find profitable investments in works relative to marshy land betterment.

Italian leading men and organizations, political, industrial, commercial and financial, under this Government or any other which may succeed, would welcome and support American-Italian association in enterprises of the above character.

American firms who to-day may be able to send their representatives to Italy, taking advantage of the worldwide lull in business affairs to study thoroughly the situation with the intention of organizing their development for the coming days when the world's business shall revive—such firms, we believe, would be sure to reap large financial rewards, and at the same time would be of assistance in bringing into being the Italy of to-morrow.

As to the form in which Italians would prefer to get investments, common stock would naturally please them best (the use of preferred stock is almost unknown in Italian companies), the foreign stockholders taking their chances on favorable or unfavorable developments in each fiscal year, and also on fluctuations of exchange. If securities paying a fixed rate of return were issued—mortgage bonds, debentures, preferred stock—Italians would like them to have long maturities, thirty years at least, and to be floated at prices close to par.



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THE BANK OF ITALY AT MILAN



MEETING PLACES FOR HAPPY CHILDREN

When other "visions splendid" of land and sea are forgotten, we shall recall the charming sunlit patios of Italy where the fountains are the meeting places of happy children

It may be said, however, that the Italians now realize that American bankers and investors would not be likely to jump at the chance of providing funds on such terms. They appreciate that American investors have hardly advanced as yet beyond investment in foreign government bonds, and that general participation on the part of Americans in foreign utilities, industrials and railroads, must be very well secured to attract investors in the United States.

CHAPTER X

AGRICULTURE

Agriculture is the foundation of manufactures, since the productions of nature are the materials of art.

GIBBON.

ONE third of Italy's population is engaged in agricultural pursuits, and two thirds of the producing element of the population derives its living from this industry. The agrarian population of Italy in 1911 included 9,328,300 persons more than nine years of age.

Among the agricultural products for which Italy is famous is olive-oil, in which Italy stands next to Spain, producing in 1916 2,062,000 quintals, Spain leading Italy by only about 10,000 quintals. In the production of wine Italy stands first with 38,960,000 hectoliters in 1916, France, Spain, Algeria, and Portugal following in order. In hemp production Italy stands next to Russia and the Philippine Islands, occupying third place with a product of 900,000 quintals in 1913 and 1914. Wheat production, so vital to Italy, has an outstanding increase; out of a total of 26,000,000 hectares of agrarian and forest lands, 13,000,000 are given up to grain cultivation, and 4,700,000 are devoted to wheat alone. The Italian wheat crop increased from 3,631,000 tons in 1881 to 5,845,000 tons in 1913. Maize

increased from 2,135,000 tons to 2,753,000, sugar from 63 tons to 305,000. Wheat importations also greatly increased in these years, namely, from 154,000 to 1,810,000, making a per capita increase in wheat consumption from 133 kilograms to 216, producing a larger spending power and better national well-being.

Italy has been engaged in recent years in reclaiming land from water, and the extension of draining operations is shown by the fact that from 1892 to 1905 an average of 22,400 hectares of land were reclaimed each year. The annual imports of agricultural machinery have been increasing rapidly, and the national production of agricultural machines has increased in like proportion. Between the years 1891 and 1893 the imports of agricultural machines in Italy amounted to 1,658,800 lire; in the years 1912-14 imports of agricultural implements had reached the figure of 19,560,700. The improved condition of agriculture in Italy can be traced also to the rapidly increasing use of chemical fertilizer, the country using in 1913 1,400,000 tons, against 200,000 tons in 1896.

One of the early impressions of the traveler in Italy is that this country is unique among European lands at present in the possession of live stock. Statistics reveal that in 1918 there were 25,874,852 head of live stock in Italy.

The description of agricultural industry in Italy would take one into many fields, for the variety of products of this country is legion. The pasture-lands, the farms and plantations, clamber up the sides of the

Alps sometimes to the height of twenty-five hundred meters, while on the banks of Lake Como are olives, chestnuts, and vineyards growing side by side. In the valley of the Po, fields of rice alternate with wheat, maize, hemp, and beet-root, while vineyards and mulberry-trees flourish, along with countless other kinds of fruit. The entire reaches of the Apennine slopes are covered with cereals, pasture, and beech-wood forests, while the winter cultivation of flowers makes an Italian garden of the shore of Liguria. On the hills looking toward the Tyrrhenian Sea olives again cover the hills as far as the eye can reach, and in fact wherever the traveler may be touring in Italy he seems to be able to look out upon vine- and olive-clad hillsides. No country other than Japan, or possibly the upper reaches of the Andes with their historic scars of Inca cultivation, can parallel Italy for intensive agricultural production on her hills and mountain slopes.

He who visits Tuscany will find vast herds of cattle, sheep, horses, and even buffaloes roaming over the Tuscan hills and fields, the "Agro Romano," and the Pontine Marshes, and from here it is but a short distance to the kingdom of the Hesperides. There is also that enchanted coast extending from Amalfi to Salerno and the farthest Calabria, from Palermo to Messina and Syracuse, where one travels almost constantly among gardens of oranges, lemons, and mandarins, while the air is filled with the scent of the *zagara*, as the Sicilians call the orange-blossom.

Along the shores of the Adriatic, also, one finds a fantastic succession of the most varied agricultural in-



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CHARMING TIVOLI—ITALIAN HILL TOWN

I shall not say anything about Tivoli. A water-fall in type is likely to be a trifle stiffish. Old associations and modern beauty; nature and artifice; worship that has passed away and the religion that abides forever; the green rush of the deeper torrent and the white evanescence of innumerable cascades, delicately palpitant as a fall of northern lights, Lowell.

crease. There are extensive corn-fields, vineyards, and groves of the Lecce olive. Abruzzi possesses also flourishing vineyards and olive plantations, as well as extensive sheep-grazing land. The cottages of returned emigrants dot the hillside of the Marches, and these emigrants are clearing the ground and reclaiming additional sections of the New Italy. In the northern sections of Romagna, Emilia, and the Veneto we find extensive hydraulic improvements alongside the industrialization of agriculture and the cattle-raising industry.

Cheese-making and wine-pressing are carried on under varied conditions. Milk is produced and treated both on the pasture-lands of the mountains and in the valleys and plains amid mild or hot climates alike. Wine-presses are found in Val d'Aosta as well as on the slopes of Etna, while olives are gathered and crushed in Ventimiglia as well as in Palermo, where one finds the immense plant said to have been introduced by the Saracens.

The arrangements made for the irrigation and reclaiming of lands, as well as the size of holdings and the condition of labor, have been matters that have absorbed the attention of Italian landowners and peasants alike for many decades. Indeed the history of Rome, as of Italy, hinged at various times upon the distribution of lands and cultivation of the soil, and here as in other parts of the world the eternal contest between landowner and cultivator is ever present.

Small holdings of land prevail in Piedmont, Lombardy, Liguria, and Veneto, in northern Italy, while

in South Italy large land-holdings are found in the Marches, Romagna, and Calabria. In certain sections, notably the Marches, Tuscany, and parts of Umbria and Romagna, the worker shares profits equally with the owner. In Veneto, Campagna, and Basilicata the land is rented by the owners to operators.

In Lombardy, Emilia, and Piedmont workers are hired by contracts for a stated period, usually one year. Day or piece-work prevails in Sicily and Calabria, where the lowest paid labor is found. Southern Italy has been in an inferior economic condition, as compared with northern Italy, since the period of the Renaissance, when the Florentine bankers and leaders of the woolen industry of northern Italy acquired control of the economic life of the south. With a scanty middle class, southern Italy was at the mercy of a few landlords at the close of the feudal period. Southern Italy, moreover, is cursed with aridity and in some cases with malaria and the lack of modern improvements, while deficient sanitation and education, together with low wages—all of them causes of emigration—add to the agricultural problems of this section. In the south, women, children, and the aged are employed in agricultural pursuits, and labor conditions are not always what they should be. In Sicily, particularly, one of the chief needs is money for irrigation. From time to time there are offered in Parliament various bills for the improvement of this region, especially of the Palermo district, where orange plantations thrive.

In Italy, as in the United States and in virtually every considerable country, there is an agricultural party, the Partito Agrario Nazionale, that came into being October, 1921, to offset the influence of the industrialists, a kind of "farmers' bloc." There is also a general confederation of agriculture, which is the most powerful organization of the kind in the country. Both of these bodies carry on propaganda in Italy favoring all agricultural interests.

The prices of agricultural products in Italy have a tendency to decrease in price, though the high cost of living has continued since the war. Here as in America laborers are loath to accept lower wages, because of the high cost of supplies. The result is that field labor has been cut to a minimum, production has been curtailed, and considerable unemployment is found in agricultural sections at certain times in the year.

Italian agriculturalists are engaged in the endeavor to regain the European markets that were lost in the war. In this struggle Italy finds both Spain and France competing, France drawing on her southern provinces for her particular needs.

Italy's markets for agriculture before the war were central Europe, Germany, Austria-Hungary, and Switzerland. Italian potatoes, vegetables, and cereals found a reliable and ready market in these sections. In 1908 to 1912 Italy sent to Germany 13.65 per cent of her total exports, while the percentage for the Austrian Empire was 8.80.

During the year 1913 agricultural exports to Ger-

many and Austria amounted to 274,000,000 lire. As a result of the war, the purchasing power of Europe has been greatly reduced, Czechoslovakia and Jugoslavia have both become agricultural producers, and France and Spain compete in British and Scandinavian countries.

There has been, moreover, greatly increased home consumption in Italy, and an increase of agricultural imports as compared with the exports of cereals and cattle has produced an unfavorable trade balance of between two and three million lire in the agricultural industry alone.

Of the former large agricultural exports of Italy such as wine, olive-oil, fruits, vegetables, and hemp, there is a decreased demand for wine because of the cessation of the war-time requirements of France and also by reason of the loss of the United States market. Vegetable exports have been reduced to 50 per cent of their former amount, but this loss is made up in part by an increase in the exportation of extracts derived from vegetables. Certain restrictions for a time caused a decrease in the exports of olive-oil. Fresh and dried fruits from the south have maintained their former level of export, these products being used more largely in Italy since the war.

Among the needs of agriculture are changes from antiquated to modern methods, the larger use of machinery, rotation of crops, better roads, and also better housing accommodation for laborers. There is also in some regions inefficiency on the part of railroads in

the carriage of perishable vegetables. For example, there is still in vogue in southern Italy a century-old method of driving great flocks of sheep and goats from the lowlands to the hills and back in spring and autumn along roads that seem to give them a right to banquet along the way regardless of the rights of private owners. The villages where farmers live, instead of on their farms as in this country, cause the waste of much time—hours daily—in travel back and forth. This custom, which is partly due to swampy and malarial conditions in the lowlands, is probably generally traceable to the protective instinct, since in comparatively recent times robber adventurers made the walled villages of Italy's hill towns a necessity. In North Italy, also, despite industrial expansion, 42 per cent of the inhabitants live in small hamlets.

The important problem of irrigation needs comprehensive attention. The regulation of the water-supply needs national attention, by reason of the torrential rains that rush down from the hills in Puglie and certain parts of southern Italy, where the hills have been denuded of forests. These floods in the rainy season not only menace property but convert fertile plains into unhealthy marshes.

Horace describes these streams in language as accurately descriptive now as when he wrote:

Now gliding gently o'er its bed
Along to the Etruscan main,
Now whirling onward fierce and fast
Uprooted trees and boulders vast

And flocks and houses, all in drear
Confusion tossed from shore to shore,
While mountains far and forests near
Reverberate the rising roar
When lashing rains among the hills
To fury wake the quiet rills.

For the reforestation of the hills and the erection of additional barrages and reservoirs to catch and hold the water for future use, there are needed improvements which are gradually being considered and introduced. Italy is building them, and it will take time to offset the results of hundreds of years of neglect, invasion, and brigandage; but before the century is over the waste lands bordering the Ionian Sea will be redeemed, and in place of the squalid villages and disfiguring huts, where there once stood the glorious buildings and wonderful gardens that Herodotus admired as he and his contemporaries made visits to the opulent colonies of Magna Græcia, new cities and new agricultural and industrial enterprises will arise. The period of Italian renaissance has begun in the agricultural as well as the industrial world. Loans are being made for assisting in such improvements as drainage, reclamation of uncultivated lands, water storage, and irrigation. A viceregal decree was issued in 1918 by which the Southern provinces and islands will be loaned 150,000,000 lire at 4 per cent for assisting agricultural improvements and for the aid of associations organized for land betterment.

That these needs are being met by Italian agricul-

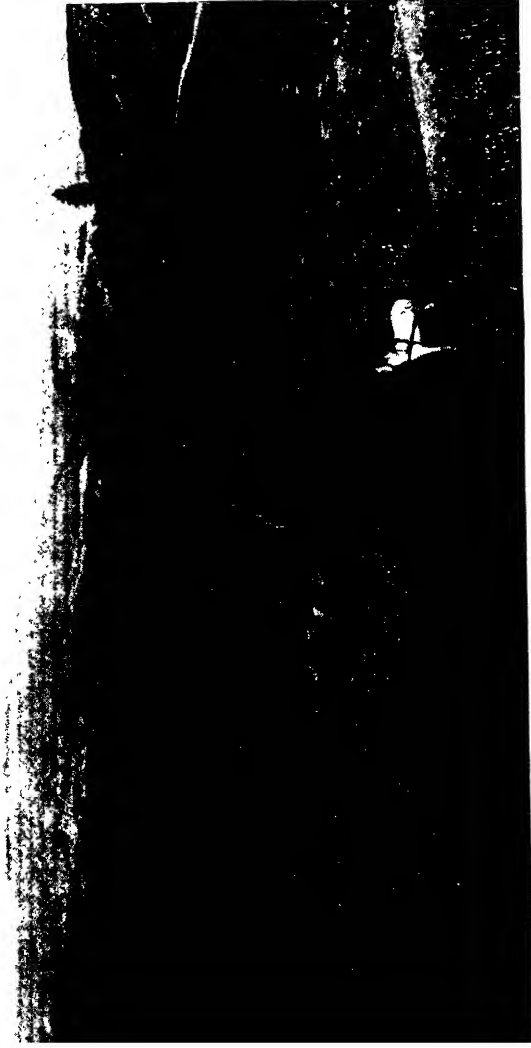
turalists, to a degree at least, is recognized by the larger use of foreign plows as well as in the use of small irrigation reservoirs surrounding the fields. In 1916 when plowing by steam had been only recently introduced in Italy there were about two hundred direct-traction machines, with twenty Fowler and five hundred Howard chain-driven plows. Since this time many thousands of tractors and double and treble furrow plows have been imported, in the first place by agrarian associations and merchants and afterward by the state; they are operated by squads of ex-soldiers, especially in the devastated areas. The farmers have now taken over the tractors and place great value upon them; indeed, Italian automobile firms are now constructing the machines.

The use of chemical fertilizers is becoming more and more popular in Italy. In 1900 the country consumed 3,000,000 quintals of superphosphates, while by 1913 the amount had increased to 11,000,000 quintals, of which more than 10,000,000, were produced in Italy. The additional chemical fertilizers used in Italy consist of about 200,000 quintals of salt of potassium, 700,000 of nitrate of soda, more than 300,000 of sulphate of ammonia, and 200,000 of calcium cyanimide, this last being produced in the country. The superphosphates are conducive to the growth of the broad bean so widely distributed in the south of Italy. The agricultural associations are useful in their analyses of the soil and in their recommendations for the use of seed. The International Institute of Agriculture, founded in Rome

by the king, has been notably useful to Italian agriculture. The coöperative agricultural societies of Italy should also be mentioned for the good work they are doing in study and development relative to the selection of seeds and scientific analysis of the soil.

Among the cultures that are asserting themselves vigorously at present is the sugar beet, the cultivation of which was advocated strongly by Cavour. The sugar beet has become an Italian export, occupying about 61,000 hectares of area and producing in 1908 and 1909 1,653,118 quintals of sugar. Tobacco cultivation also has gained in area, but the fact that it is a state monopoly has subjected it to fluctuations in price. There is always more or less discussion of acquisition of the tobacco industry by private interests, but it is the general opinion that it pays the Government too well to give the hope that it may be relinquished.

Emilia and Campagna are known, among other products, for the cultivation of Italian tomatoes, which in recent years reached an average annual output of 5,000,000 quintals. England has been one of the chief markets for this commodity. The peach has been widely cultivated in Emilia and Romagna, and the cultivation of oranges, lemons, and other citrous fruits reaches an annual average of nearly 8,000,000 quintals. With this production there are connected special industries for the distilling of essences of orange, bergamot, lemon, and mandarin, together with the manufacture of lime-juice, calcium citrate, and citric acid, all of which make a very remunerative cul-



A CALIFORNIA VALLEY WHERE ITALIANS HAVE TRANSFERRED THEIR GENIUS IN
AGRICULTURE TO AMERICA

ture. From the world production of 4500 tons of citric acid, 1000 come from Palermo, and the remainder is prepared in Germany, England, and the United States from calcium citrate imported from Italy.

The establishment of hundreds of coöperative dairies has made a marked progress in the Italian cheese industry; not confined to the districts of large producers, these dairies are found among the small farmers, and milk products constitute important articles of export. Modern machinery of the latest pattern is utilized in the fermentation, sterilization, and refrigeration processes. In addition to Italian cheeses, excellent results have been reached in imitation of foreign cheeses, such as Gruyère, Ermenthal, and Sbrinz. The Italian love for cheeses of all kinds is revealed in the fact that no midday meal is complete without the final cheese course.

The entire agricultural industry of the country has been greatly stimulated by various experimental and instructional institutions, as well as through the old established agricultural colleges at Milan and Pisa. There are traveling professorships for the diffusion of agricultural instruction through lectures and pamphlets; fields are employed for the purpose of demonstration and experiment. The coöperative agrarian associations in the north of Italy form a network over the whole region, and these associations have a great influence on the trade in agricultural implements, fertilizers, and concentrated animal foods.

It is worthy of note that King Victor Emmanuel III has been among the foremost promoters of the betterment of the economic relations between landlords and landworkers, relinquishing certain crown property, as well as favoring the expropriation of undeveloped land so that it can be turned over to ex-soldiers for cultivation, with the idea of passing the actual ownership to the ex-soldiers later on. It is to such sympathetic co-operation on the part of the king and influential Italians, coupled with the peculiar energy and proved adaptation of the Italian worker for successful labor on the land, that one looks for the steady development and improvement of agrarian conditions in Italy.

The following, taken from the annual report of the Società Monte Catini, reveals certain of the agricultural needs of Italy, and, incidentally, applies equally well to conditions in the United States:

We are convinced that if the Government will follow the situation without interfering, except in exceptional cases, the crisis will abate without serious difficulty. Heavier taxation on agricultural products, now that the crisis is here, could not be borne without heavy loss. To avoid the damage inflicted on industry by demagogic fiscal regulation the Government must keep in mind, in its dealings with agriculture, these two fundamental points: no vexatious taxation, no wild schemes of reform. As between landed proprietors and the agricultural peasantry what is needed is clear, timely legislation, protecting the interests of the owners while safeguarding the laborers.

"Since 1914 agriculturists have known no peace and are tossed about by emergency regulations, disquieting

projects, uproar and strife, whereas by acting wisely, combining expert technical knowledge with ready capital, and not antagonizing the manufacturing industries, they would provide the best means of enriching the country and would at the same time satisfy labor, a factor as essential as technical skill and capital." These are the words of Luigi Luzzatti, which we heartily indorse.

Let us not forget that agriculture needs liberty, intelligence, and capital as well as hard work. There should be no opposition between farm and factory if we wish to develop only sound industry, industry that is compatible with our national conditions. Complete and loyal harmony between agriculturists and manufacturers will bring about the fusion of all useful forces, forces that produce wealth and prosperity, the only forces that can lead us to economic reconstruction in the highest interests of all classes of society.

Not the least beneficial result of agricultural improvement in Italy is the prospect of affording additional scope for the rapidly increasing Italian race, for, as the processes of irrigation, sanitation, and proper land tenure develop, there may be a tendency for Italian emigration to decrease, and Italy may become more and more self-contained and sufficient unto herself. No nation is more secure in its future than the one that possesses and utilizes in an independent fashion large and adequate agricultural resources.

CHAPTER XI

THE INTERNATIONAL INSTITUTE OF AGRICULTURE

AMONG the ties that should bind Italy and the United States more closely is the International Institute of Agriculture, founded in Rome through the munificence and far-sightedness of King Victor Emmanuel and the indefatigable effort of an American citizen, Mr. David Lubin, with whom the idea originated.

After repeated attempts with various governments, Mr. Lubin, who had devoted his life to the idea of an international agricultural entente, laid his plan before the king of Italy. The king saw in it the opportunity for wide usefulness and recommended it to the consideration of his Government in a letter to Giovanni Giolitti, who was at that time prime minister. In view of the growing importance of this institute and its service to the cause of agriculture the world around, the king's original letter to Giolitti becomes a document characteristic of the wisdom of Italy's ruler :

Dear President:

Mr. David Lubin, a citizen of the United States, has made a proposal to me, with all the ardor of sincere conviction, and it seems to me both wise and useful, and I therefore recommend it to the consideration of my Government.

Farmers, who generally form the most numerous class in the country and have everywhere a great in-

fluence on the destiny of the nation, cannot, if they remain isolated, make sufficient provisions for the improvement for the various crops and their distribution in proportion to the needs of consumers, nor protect their own interest on the market, which, as far as the more important produce of the soil is concerned, is tending to become more and more one market for the whole world.

Therefore, considerable advantage might be derived from an international institute, which, with no political object, would undertake to study the conditions of agriculture in the various countries of the world, periodically publishing a report on the amount and character of the crop, so as to facilitate production, render commerce less expensive and more rapid, and establish more suitable prices. This institute, coming to an understanding with the various national offices already existing for the purpose, would also supply information on the conditions of agricultural labor in various localities, so as to serve as a safe and useful guide for emigrants; promote agreements for mutual defense against diseases of plants and animals, where individual action is insufficient; and, finally, exercise an action favorable to the development of rural coöperation, agricultural insurance, and credit.

The benefit obtained by means of such an institute, a bond of union between all farmers, and consequently an important influence for peace, would certainly be manifold. Rome would be a suitable place for its establishment, at which the representatives of the adherent states and the larger associations concerned might assemble, and harmonize the authorities of governments with the free energies of the farmers.

I am convinced that the nobility of the aim will suffice to overcome the difficulties of the enterprise.

And in this faith I sign myself

Your affectionate cousin,

VICTOR EMMANUEL.

Rome, January 25, 1905.

The king also showed his characteristic generosity by following his letter with the gift of a magnificent palace in one of the most beautiful positions in the Villa Umberto I, on the Pincio, that historic promenade which is known so well to all visitors in Rome. The writer had the pleasure of visiting this institute, meeting the directors, and inspecting the really remarkable work that is being accomplished as the result of Mr. Lubin's vision and Victor Emmanuel's munificence. The palace is a kind of Pan-American Union building, representing for world agriculture what Mr. Carnegie's gift in Washington represents as a bond of political and social union between the North and South American republics. The work that is being carried on in this building, utterly without advertising, is so great and important to the United States, as well as to the other constituents of the institute, that one is amazed that its service has not become better known and more thoroughly utilized in America. It calls together with regularity the representatives of fifty-five governments, who have ratified this international agricultural treaty; the delegates sitting in these sessions represent a total globe population of 1,700,000,000 inhabitants.

The veteran Roman senator Luigi Luzzatti, always keen to sense movements that have utilitarian and altruistic benefit, comprehended the value of Mr. Lubin's idea and, joining with the king, invited the states to an international conference to be held in Rome on May 28, 1905, a few months after the date of the

king's letter. All the most important countries accepted the invitation, and as a result of the conference a treaty was consummated on June 7, 1905. This treaty formed a permanent International Institute of Agriculture, established in Rome, in which each adhering power is represented by delegates of its choice. The institute is administered by a general assembly, and by a permanent committee to carry out the decisions of the assembly. Article IX of the treaty defines the objects of the institute, which are as follows:

The Institute, confining its operations within an International sphere, shall:

(a) collect, study and publish as promptly as possible statistical, technical, or economic information concerning farming, vegetable, and animal products, agricultural products, and the prices prevailing in the various markets;

(b) communicate to parties interested, also, as promptly as possible the above information;

(c) indicate the wages paid for farm work;

(d) make known the new diseases of vegetables, which may appear in any part of the world, showing the territories infected, the progress of the diseases, and if possible the remedies which are effective;

(e) study questions concerning agricultural co-operation, insurance, and credit in all their aspects; collect and publish information which might be useful in the various countries for the organization of works connected with agricultural coöperation, insurance, and credit;

(f) submit to the approval of the governments, if there is occasion for it, measures for the protection of the common interests of farmers and for the improvement of their condition after having utilized all the

necessary sources of information, such as the wishes expressed by International or other Agricultural Conferences, or by Congresses of Sciences applied to agriculture, or agricultural Academies, learned bodies, etc.;

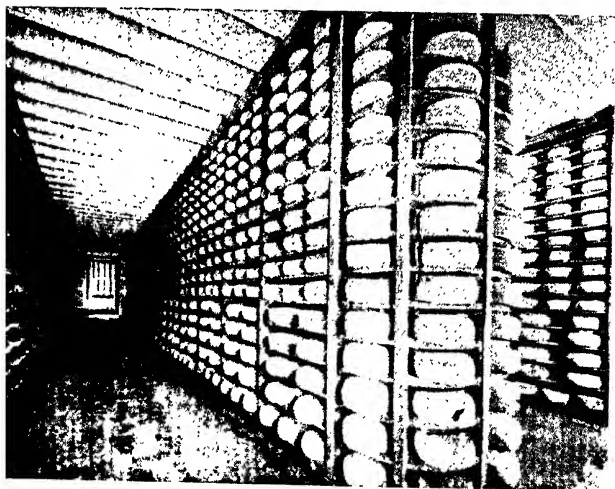
The Institute shall have no competence in any matter affecting the economic interest, the legislation, or the administration of any particular State.

Virtually the whole civilized world is now associated in the work of this institute, as the following independent states are the only ones in Europe that have not yet adhered to the treaty: the Kingdom of Albania with about 800,000 inhabitants, the Republic of Angora with 5231, the Principality of Monaco with 19,121, and the Principality of Lichtenstein with 9900. In the Americas the states outside the institute are Bolivia with 2,255,000 people, Haiti with 2,500,000 inhabitants, Honduras with 554,000, Panama with 240,000, Santo Domingo with 700,000, and Venezuela with a population of 2,750,000.

In Africa the single Republic of Liberia with a population of 1,500,000 is not represented. In Asia, the unrepresented sections are the Sultanate of Oman with 500,000 inhabitants, Afghanistan with 6,000,000, the state of Bhutan with about 250,000, the Kingdom of Nepal with 5,000,000 inhabitants, and the Kingdom of Siam with a population of about 6,500,000. In other words, of the entire population of the globe, which is estimated at 1,730,000,000 people, not more than 29,000,000 belong to independent states not yet related by membership to the International Institute of



A CATCH OF TUNNY AT FAVIGNANA, SICILY



ONE OF THE LARGE ESTABLISHMENTS FOR THE MATURING OF
CHEESES IN NORTHERN ITALY

Agriculture at Rome. There is perhaps no international body to-day that is so fully representative of the peoples of the earth as this institute, calling together on the Pincio at Rome at regular intervals the nationally appointed delegates of every highly influential country on the globe.

The large edifice owned by the institute furnishes offices for the president, vice-president, and delegates; and there are large halls for meetings, reception-rooms, various offices for the staff, a library, and in the basement, a large printing-press, where the institute publishes its own printed matter and reports, which are sent regularly to the different nations.

The staff of the institute is international in its character. There are about one hundred employees, not counting messengers and printers, and these employees are distributed according to nationality as follows: fifty-six Italian, ten British, eight French, eight German, five Spanish, four Austrian, four Swiss, three Hungarian, two from Luxembourg, two Russian, and one Portuguese. There are also a considerable number of translators employed. The revenue of the institute consists of 300,000 francs a year from the king of Italy; the contributions from the adherent states; interest on reserve fund; and proceeds from the sale of the institute's publications. Before 1913 the unit of the annual contribution of the adhering states was 1500 francs; since 1914 it has been raised to 2500 francs. The revenue from this source for the year 1914 was estimated at 845,000 francs. The revenue

for the year before the war was 1,172,835 francs. The reserve fund accumulated up to that time was about 500,000 francs. The institute is therefore handicapped in the prosecution of its work by the lack of funds. It is remarkable to see what is being done upon so small a budget.

The library of the institute is growing rapidly, having more than 33,000 volumes and more than 28,000 pamphlets, receiving regularly 2300 periodicals, daily, weekly, and monthly, from all parts of the world. In addition to the chief daily papers and periodicals of general character of every country, the library contains the principal agricultural, economic, and statistical papers from the wide circle of nations in its membership. The library publishes a weekly bibliographical bulletin giving the titles of books received, as well as titles of summaries of the chief articles bearing on agricultural subjects appearing in the papers.

The work of the institute is divided among four bureaus: a general secretary's department and library; a statistical bureau; a bureau of agricultural intelligence and plant disease; and another devoting its efforts to the gathering and distributing of economic and social intelligence. The bureau of agricultural intelligence collects a very large number of documents and facts relating to agricultural legislation, publishing a year-book on the subject. In the year-book is reproduced the full text of the most important laws and regulations relating to agriculture the world around promulgated in the preceding year. Invaluable and

exhaustive information is presented upon such subjects as live stock, vegetable products, the production and manufacture of animal products, plant diseases and animal life injurious to agriculture, agricultural co-operation, insurance and credit, home colonization and bureau of holdings, relations between capital and labor in agricultural activities, health of farmers, and rural police.

Considerable attention is given to the gathering of reliable data for distribution among farmers relative to the state of the world markets, and the supply and demand for agricultural products. The importance of knowing promptly the state of crops and the estimated and actual harvest, together with wholesale and retail prices, fluctuations, freights, etc., is of vital importance to the farmer. Every month the statistical bureau publishes a bulletin of agricultural and commercial statistics, the information being supplied by letter and telegraph from the various governments. This information relates to the agricultural production of the entire world, the area sown, state of the crop, harvest yielded, import and export trade in the principal agricultural products, their price, and the amount of visible stocks. The information contained in the bulletin is communicated to the world press, being issued in five editions at once—French, English, German, Italian, and Spanish.

The year-book of agricultural statistics contains the latest information concerning the live stock and crops in the fifty-five states belonging to the institute. The

year-book goes into considerable detail relative to the area and population of the adhering states, their productive and non-productive areas, production and yield per hectare of the principal crops, with special attention given to such agricultural products as cereals, potatoes, beet-root, sugar cane, grapes and wine, olives and olive-oil, coffee, hops, tobacco, cotton, flax, mulberry leaves and cocoons. There is also a thorough informational report on the different kinds of live stock in the various countries, and detailed mention is made of the various sources from which figures are obtained. The year-book is published in French only, but it contains tables in five languages, rendering the information accessible to the various nations.

There are many monographs published by the bureau relating to agricultural subjects and the foreign trade of the different countries. There is a monthly bulletin giving a review of all the important events occurring in the field of agriculture and economics, and the legislation of the various countries bearing on these subjects. The extension of coöperative credit systems in the agricultural regions has been a part of the work of the institute. As one result of this propaganda, the Southern Commercial Congress, when it assembled at Nashville in 1912, decided, with the assistance of the Federal Government, to send a commission of farmers and men of science to Europe—two representatives for each state of the Union—to study the coöperative credit institutions that had been made known by the institute publications. This commission made a wide

tour through the states of Europe and published three volumes of reports of its findings.

One of the important works of the institute, through the bureau of economic and social intelligence, is to issue every month in five languages a pamphlet of information for the press of the entire world, reproducing the chief findings of the bureaus of the institute during the preceding month. These reports are sent to the agricultural press of the various nations, giving an opportunity for the poorest and most out-of-the-way farmers to secure latest information regarding agricultural progress throughout the entire world.

In general, the International Institute of Agriculture stands for the protection of the common interest of farmers and for the improvement of their condition, as well as a thorough-going study of the land and of live stock. Such interesting questions as those of birds useful to agriculture, hail and scourge by which the agriculture of certain countries suffer most yearly, land reform and the maintenance of homestead, come under the research of the institute. Other subjects now being studied are the adulteration of food, the fight against locusts, ocean freights for agricultural produce, the adulteration of seeds, and farm bookkeeping and commercial transactions.

The writer was impressed with the practical way in which agricultural coöperation is being worked out by means of the International Institute of Agriculture. The departments of agriculture of any of the affiliated countries may have access regularly, and by telegraph

if desired, to specific conditions in any part of the world. For example, a group of farmers in Kansas can find out, through the regular American delegates to the International Institute in Rome, the condition of the wheat crop in every country of the globe where wheat is grown. In similar way, the ranchers of Argentina can learn the latest remedies used for the foot-and-mouth disease among cattle in the countries of Europe, Asia, or Africa, and can receive the latest statistical information concerning the spread of this disease. Through this international agricultural exchange it is also possible to extend information about successful legislation engineered by the farmers' grange in Jefferson County, New York, to virtually every rural region of the world where similar legislation may be profitable to the agriculturist.

The extent and the value of the organization can readily be perceived. Its chief present need is for funds to extend the work that is already carefully organized and making limited progress, and there is also insistent need for the work of good press-agents to inform not only the agricultural bodies of different countries but also farmers and agriculturists themselves concerning the existence of the International Institute and the way in which they may use it.

There are few, if any, organizations in existence possessed of greater potentialities for world welfare than this Rome institute, since any agency which touches the fundamental question of the world, the food problem, is more vital than any other question before the world

to-day. Here is an organized agency definitely equipped to assist in destroying the enemies of the land and aid the agriculturist to obtain the utmost fruitage of his labors. Here is a handmaid of the basic industry of the world. Its direct aim is to increase the food supply of the nations, and at the same time to better the condition of the man who produces it.

CHAPTER XII

ITALY AS A COLONIZER

THERE are many influences determining the desire and the tendency of Italy to seek colonies. Among these is the patriotic impulse and ambition to make Italy a real force in the world. The modern Italian is like a college youth graduating from long years of quiet and passive preparatory existence and seeking a worthy career. For three hundred years Italy has been more or less a helot nation, looking to Austria or some other European power as a determining factor in her action.

Mazzini, the great apostle of unity and liberty, was one of the first modern voices to thrill and electrify Italy with a new and vivid sense of her moral and spiritual mission. "Beware when the Great God lets loose a thinker on this planet!" It was this quiet grappling force of Mazzini's ideas and his idealism which was taken up by Cavour and which is carried on by the representatives of the Italy of to-day, the youth led by another young man, Mussolini. Mazzini gave Italy her birthright by awakening her spiritual consciousness, by giving her the possession of her national soul. When a man or a nation gets a vision or a great mastering idea the first impulse is to tell it as widely as possible, to bring all men under its spell.



IN TRIPOLITANIA, WHERE ITALY HAS GONE COLONIZING



CAMELS AT A WATERING-PLACE IN AN ITALIAN COLONY (SOMALILAND)

While there is always a certain amount of selfishness and the idea of economic gain in the head of a nation that goes colonizing, there is also the half-conscious impelling motive of extending its particular brand of civilization, which naturally is considered superior. "I regard self as an active force," cried Mazzini, "called upon to transform the medium by which it is surrounded, rather than passively submit to its influences." In 1831 Mazzini was arrested and thrown into prison, the police saying to his father, who came to inquire the reason of his son's arrest, "Your son has a bad habit of thinking too much."

It was this thoughtfulness of the Italian poet that kindled the flame of Italy's nationalization—"the very poetry of politics," as Byron called it, or, to use the words of Lecky, "one moment in nineteenth-century history when politics assumed something of the character of poetry."

One cannot estimate Italian motive without access to this conquering and potent spirit of idealism that lives in the race. When the writer asked a very "hard-boiled" business man in Rome for the mastering ideas of the Italians, he answered, "The two great ideas in Italy are the Holy Faith and the Fatherland." There is a real conviction among the Italians that they have become united as a nation, and have now been completed by reason of the results of the war, for a purpose. They think of "an Italian hour," not in any sense as Bismarck dreamed *der Tag* for Germany, but because this people, having experienced every glory of

empire, as well as every evil, have a right to a share of national and international adventure. Colonization is a part of this new dream of the recently awakened nation, and the idea is not foreign to the spirit of an emancipated patriotism.

Another motive for Italy's colonial expansion lies in her geographical position. It is only ninety miles from the southern shore of Sicily to North Africa. For years Italians have migrated to this region, and the taking of Tunisia by France was to the Italians almost like taking a part of their own country, so many of their native people had settled there; there is, in any case, something in common between races that inhabit more or less contiguous territories. Once the writer went around the world, following the equator as far as possible; he was interested to find a marked similarity of customs and traits among the peoples living in equatorial latitudes regardless of race, tradition, or color. While there is more likelihood of the southern Italians feeling at home beneath the tropical sun of northern and eastern Africa, where the Italian colonies lie, than would be the case with the inhabitants of northern Italy, there is no doubt that with the industrial development of these colonies the north as well as the south of Italy will make extensive contribution; these colonies will help in the furnishing of raw materials for home manufactures as well as in constructing new enterprises of industrial character and in forming an outlet for the superfluous Italian population.

The great reason for colonization on the part of

Italy lies in the fact that the nation is decidedly overcrowded. The acreage of Italy is one half that of Spain, while the population is double; thus the density of the population is four times that of Spain. This is the reason one finds the vineyards in northern Italy cultivated up to three thousand feet above sea-level, as in the valley of Aosta.

Taking the population of the newly annexed provinces, together with those persons still having their legal residence in the several communes but who are temporarily absent abroad, the total population of Italy is 40,078,161 inhabitants, exceeding the present population of France, with a territory poorer and only half as large. The increase of Italian population within the ten-year period preceding December 1, 1921, was 2,599,116, or a ratio of increase for the ten-year period of 7.5 per cent, as compared with the preceding decade of 1901-11, when the ratio of increase was 6.7 per cent. Thus it is seen that Italy is beating her own record of population increase and in less than a decade will reach the 50,000,000-mark and more—as many people as Great Britain has, without England's wealth or her power of expansion, and closely following upon the trail of Germany in the strength of her man-power.

It is this rapidly growing state filled with energetic and idealistic youth, in which the hope of the country lies, cramped for breathing-space and weary of the old paternalistic Government, out of which has arisen the modern Fascismo and the various elements of reac-

tion against the old body politic. It is this New Italy, whose spirit has outgrown the narrow peninsular body, that has made colonization a necessity. Like Japan or Germany, Italy must find colonies for her growing population or speed up her industrial life in order to provide more employment. Both of these outlets are required, and they are more vital to the country than all other problems combined. The youth are the key to the situation, for they are the "trumpets that sing to battle" in the new warfare against traditional politics. As Edgar A. Mowrer has put it, the youth of Italy demand "less finance and more production; less paternalism and more soul. Inevitably the future is theirs."

To meet these very real problems, as well as to face squarely the country's economic development, the Italian colonizing movement began about 1880 and was largely determined by Italy's geographical position in the Mediterranean. Before this time there had been a considerable emigration of Italians to North Africa, while travel and exploration into East Africa extended over a period of years. The various military, political, and diplomatic vicissitudes of Italy before she secured her colonial possessions in East and North Africa are fairly well known. The character and extent of these possessions are not so familiar. Even in Italy we found a considerable difference of opinion, not to speak of geographical and economic ignorance, relative to the African colonies. It was generally conceded, however, that progress in agriculture and industry in these

outlying districts of the New Italy waited only upon more settled economic conditions, when the country would be able to devote sufficient appropriations for agricultural improvements and for the building up of such industries as were consistent with these colonies.

The colonies of Italy may be divided into three groups, Erythrea: first, dating its origin from the occupation of Assab, and having an area a little less than 119,000 square kilometers, and a population consisting largely of Mohammedan and Coptic Christians; secondly, Italian Somaliland, the other Italian colony in East Africa, with an area of 400,000 square kilometers, a country of great agricultural possibilities, self-supporting as a colony, and an exporter of hides, wool, butter, and ivory; thirdly, Libya, i.e., Tripolitana and Cyrenaica, with a combined area of more than a million and a half square kilometers and a population of about one million.

The foreign trade of the Italian colonies shows a healthy growth. In 1915 Libya's trade with Italy amounted to 82,101,000 lire; trade with the colony of Erythrea was in the same year 49,319,000 lire, while Italian Somaliland carried on a trade with Italy in 1915 amounting to 8,693,000 lire.

The East African possessions are geographically related to the trade-routes from Ethiopia and eastern Sudan to the Red Sea, and among the products that flourish are grains like barley and wheat, and also *dura*, without the aid of artificial irrigation. These grains constitute the basis of production necessary for

local consumption. The table-lands produce flax and vegetables, together with maize and beans. Massawa is the center of an important pearl trade, and the pearl-fishing season brings fleets of "sambuks" from the various ports on the Red Sea and the Persian Gulf. The pearls find their way to India, while the mother-of-pearl goes almost entirely to Trieste.

In Somaliland there is a wonderful fertility of soil, yielding two and sometimes three harvests a year on the same plot of ground. There are plentiful harvests of sesame, from which oil is extracted, beans, potatoes, *dura*, tobacco, and cotton; and the imports are chiefly cotton material, sugar, coffee, petroleum, and some tobacco.

The North African colonies, being within such easy access of Italy, will doubtless receive the largest streams of emigration during the next decade. The coast-line of Libya is about two thousand kilometers in extent. Libya was declared an Italian possession by the annexation decree of November 5, 1911. The agricultural conditions, which were somewhat desperate before the Italian occupation, have shown considerable improvement; a department of agriculture, which was opened at Tripoli in March, 1914, and given full powers for prompt action, brought about the development of production in the oasis of Tripoli to an extent heretofore unknown. In Cyrenaica, also, an agricultural syndicate was instituted, agricultural machinery introduced, and the area of cultivation greatly increased.

The African colonies proved of great economic assistance to Italy during the war, exporting large quantities of meat, skins, cocoanuts, chlorate of potash, oxen, maize, and beans. The possibilities of the agricultural and industrial future in cattle breeding, the growing of cotton, sea industries, and mining are considerable. There is need for extending lines of communication and for increasing means of transport, and financial aid is particularly required for these colonies for irrigation and the construction of industrial plants. The skill already displayed by Italians at home and abroad in hydraulic operations seems to guarantee the success of the enterprises projected in Africa.

The war brought certain additions to Italy's African possessions; and through a treaty of peace with Turkey Italy obtained economic control over the territory southwest of Anatolia, from the valley of Meander to the Lamas, together with the right to exploit the coal-mines of Heraclea. These territories are expected to supply considerable quantities of raw material for industry, together with agricultural products like cotton, which can be grown in the southern regions (Adalia), and also coal from Heraclea, where before the war the output was 900,000 tons annually. These regions possess still higher value for Italy as bases for the development of trade between the Mediterranean and Armenia, the Caucasus, and Persia.

It is to this Near Eastern world, theater of racial contests for thousands of years, that Italy is at present giving unusual attention. By the use of her enlarging

merchant marine, with the support of sound banking organizations for foreign commerce, and with a large number of Italian agents, as well as an increasing population in the Levant, Italy justly looks forward to building up in this region an ever-enlarging commerce and colonization.

CHAPTER XIII

FROM THE ITALIAN POINT OF VIEW

We find in Italy baffling traits: a nation at bottom idealistic, mystic, religious—instinct with the severity of Latin logic; intense individualists, yet unlike us, philosophers seeking always the universal. All this with the paradoxical infusion of a certain skepticism and materialism. An easy-going good nature combined with large, continuing, surprising elements of practical common sense, and that will to work that can be commanded.

JOHN FOSTER CARR.

IN order to foster that better understanding between Italy and the United States which all desire but few exert themselves to attain, one needs to know what the Italians are themselves thinking about us and about the present-day problems of the world.

Because of the steady stream of men and women returning to Italy from the United States, the Italians are perhaps better informed as to conditions in America than are any other Europeans—at least, any of the continentals. Prominent Italian bankers are moving from places of importance as officers of banks in Italy to the New York branches of these institutions and as often returning to their former posts in the homeland. The many passenger-steamers now plying between the two countries are perpetual carriers, not of people and

freight only, but also of new knowledge and clearer understanding. On the Italian ship upon which I crossed the Atlantic last summer I found officers who knew New York and the American cities, with their problems and conditions, quite as well as some Americans on board.

Then, the Italian working-people in the United States, the chief leaven of civilization, keep their friends in Italy informed constantly of the actual state of affairs in America, especially as regards business and industrial needs, while Italian traders and business men are more and more seen among us, always eager to find out the secrets of better commercial relations between Americans and their own people.

In a recent visit to Italy I made a point of talking with a large number of Italians of all classes, asking them many questions about their point of view with regard to Americans and affairs on this side of the ocean. Among my informants were many business men, a good many men connected with Government, teachers, bankers, manufacturers, and a number of Italian students of international experience and conversant with world economic and political affairs.

It is fairly generally known that Italy has never been without keen diplomats and able officers of state. It was no less an authority than George Macaulay Trevelyan, who stated that Italy produced the wisest and most beneficent of all the European statesmen of the nineteenth century, if not of all time. He also stated that Germany is a greater country than Italy, but Cavour is

greater than Bismarck, in fact, that Cavour stands with William the Silent and George Washington as a nation-builder. Just now the despatches from Italy so often contain the magic name of Mussolini that some may be led to forget that the country numbers among her sons many men of distinguished ability who, for various reasons in these days of amazing overturn in Italy, are working quietly, but all, as a rule, loyal to their country and wedded to its best interests.

Among the public men of Italy whom I interviewed relative particularly to European affairs was Signor Francesco Nitti, former premier of Italy, unpopular among certain classes because of his acts of amnesty to army deserters, but nevertheless, as one of the foreign ministers stated to me before my interview, "one of the ablest men in Italy and, in fact, in Europe at the present time." That Nitti stands out in Europe to-day as one of the first authorities on economics and politics, goes without saying; his frankness and vigor of speech relative to Italian reconstruction as well as to international affairs have given his utterances a wide audience.

As I entered the drawing-room of Signor Nitti in Rome, I noticed his new book on "Peaceless Europe," published in several different languages, and recently brought out in the United States under the title, "The Wreck of Europe." This suggested my first question, "Why peaceless Europe?"

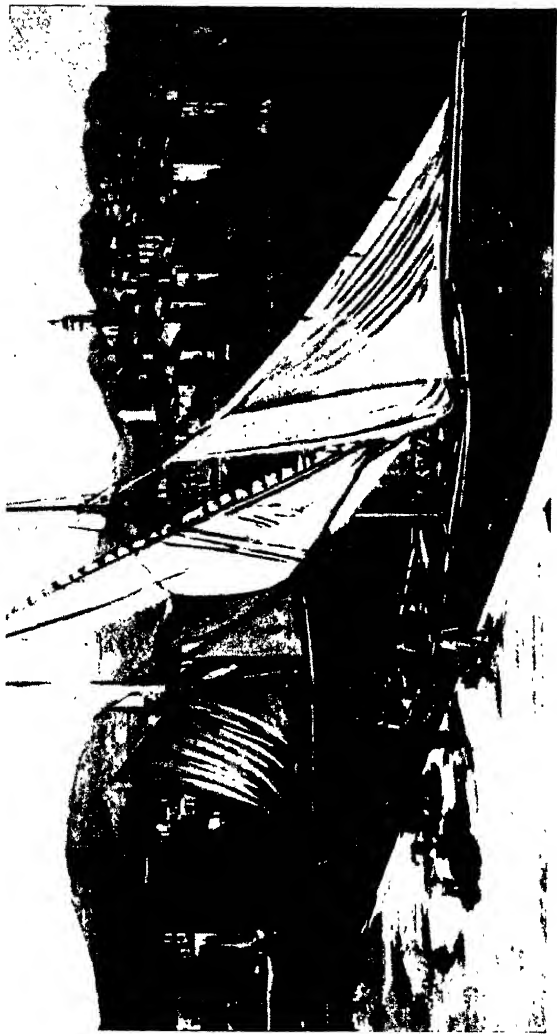
To this it was promptly replied: "Because the confusion of moral ideas still persists. In many European

countries nerves are still tense, and the language of hatred and fear rather than that of peace and justice prevails. The rate of production, also, is below consumption in some countries, and there are social groups that instead of producing more seem to be trying to possess themselves by the use of violence of the wealth produced by others.

"Trade prosperity and production in Europe," he continued, "depend very largely on Germany. Unless Germany prospers, the whole of continental Europe is bound to suffer. Germany believes to-day that France has determined upon her complete disorganization, wants to ruin Germany, or at least put her out of competitive trade. This would be bad business, bad not only for Germany, but for all the other European states and for the world."

Asked relative to financial problems and to the European debts so constantly in the press, Mr. Nitti stated that the entire world was spending too much valuable time in discussing debts and who should pay whom and when. The trouble with Europe at present is largely one of financial uncertainty. Italy has been more fortunate than some countries in that she has refused to consider reparations in her regular budget and for the most part has gone along as though such outside financial aid was not to be received.

"There is a dizzy round of debts and credits," continued the ex-premier. "America as a creditor nation is naturally looking to Europe, since Great Britain, France, and others of the European powers are in debt



ALONG THE ITALIAN RIVIERA—MENTONE FROM THE PIER

to her. The United States is naturally interested in the financial affairs of these countries and would like to know when and how payments are to be made. Great Britain, also, has been busy with the consideration of her credits to the Allies and needs payments to enable her to conduct her renewed trade and industries. France, Italy, and Belgium, suffering heavily from the war, at first depended largely upon German reparations for their recovery, while Germany has been doing her best to show her inability to pay the full indemnity. Meanwhile everybody is left in a state of charming uncertainty."

In the midst of these financial dilemmas it was pointed out that all the European governments were turning to their people for financial support, saying in effect, "We have had to borrow or use this money for national protection; therefore you must pay to the Government your share." As a consequence, taxes have been thrust upon the inhabitants of virtually all the participants of war to an amount that is often staggering, and which is sometimes prohibitive for business men seeking to remain in business or enlarge their commercial activities. The settling once for all of the financial relationships between the participants in the war was stated to be one of the crying needs of the time.

In answer to the question, "With what nations does Italy prefer to trade and why?" the ex-premier said:

"We would prefer to trade with the United States, since you are one of the few nations that has no politi-

cal ax to grind in Italy and no desire to increase your territory or involve other nations in difficult international questions."

As for the United States, Professor Nitti believes she has responsibilities of high moment in present-day Europe relative to her own economic future as well as in the interest of the entire civilized world:

"It is beyond all possible doubt that without the intervention of the United States of America the war could not have been won by the Entente. Although the admission may prove humiliating from the European point of view, it is a fact that cannot be attenuated or disguised. The United States threw into the balance the weight of its enormous economic and technical resources, besides its enormous resources in men. Although she lost but fifty thousand men, the United States built up such a formidable human reserve as to deprive Germany of all hope of victory. The announcement of America's entry into the war immediately crushed all Germany's power of resistance. Germany felt that the struggle was no longer limited to Europe and that effort was in vain."

It was shown that the tremendous power the United States exerted in the war and her present status in the financial as well as the business world have involved her in a new responsibility for the restoration of European prosperity. "Europe is the great field of opportunity for America—Europe with its four hundred and fifty millions of population, and its enormous trade upon which the United States has depended largely in the past," said the ex-premier. "It must be remembered that America must necessarily interest herself in

Europe if she, as well as other parts of the world, is to prosper. You have the money, we have the need as well as markets for you; let us come together in order that the whole world may be set anew upon the path of successful restoration. The loss of America in trade, if the present or a worse condition continues in Europe, would be greater than would be the expenditure of large sums on the part of the United States in credits to assist Europe to her feet."

Relative to emigration, concerning which so many Italians have written and spoken, particularly concerning the limitation of immigrants on the part of the United States, Mr. Nitti offered the opinion that such matters are subjects for each nation to decide for itself, and it should not be Italy's business to tell the United States what laws it should make. In fact, I received the impression that the minister thought it might be fully as well for America and Italy if the doors of immigration were not opened in a wholesale manner until Europe, greatly needing its workers at present, was in better condition to move forward upon lines of international activity in trade.

It was pointed out that behind all the exchange difficulties, back of all the complex questions of politics and finance, was the fundamental need of production and work. "Unfavorable exchange in any country is not to be remedied by printing-presses, or by the manipulation of politicians and bankers alone; the country itself must get back to greater production, to greater economy, and to a renewal of industrial and

agricultural activities along the entire line. For all these things Italy, like other European countries, needs increased man-power as well as a speeding up of her production."

When asked as to unemployment in Italy, it was answered: "We have about three hundred and fifty thousand workers unemployed, a far smaller number than has England or perhaps your own country. This condition of unemployment is more or less universal and is a consequence of the general international trade depression. As a rule, Italy is not troubled with idle workmen. The people love to work, as the cultivation of field, valley, and mountains proves, while the new industries of the country are bound to take up much of the slack in that population that is usually emigrating to foreign lands."

As regards the condition of Europe in general Nitti drew a somewhat dark picture, stating that every country in Europe, both victors and vanquished alike, was worse off to-day than when the Armistice was signed. A large part of this calamitous condition in which the continent of Europe finds itself is traceable, according to Italy's former premier, to the Versailles Treaty, which, he stated, was based upon impossibilities.

There will not be settled peace in Europe, according to the Italian statesman, until the present régime of aloofness, suspicion, and hatred is done away with and the vanquished countries, together with the United States, are included in the League of Nations, or something equivalent to it, in which certain objectionable

features in the present league are eliminated. It was stated that the immediate payment of the foreign debts on the part of continental countries is out of the question and that these, together with reparation demands upon Germany, should be rearranged in the interests both of prosperity and of justice. It was held that if such countries as France and Italy find it impossible even to pay the interest upon their war debts at present, it is folly to expect Germany, whose war woes were likewise deep, to meet the heavy demands of the reparation which the victors have imposed upon her.

"If winners and losers were to abandon war-time ideals for a while," said he, "and rather were to persuade themselves that the repression of the vanquished cannot be lasting, and that there is no other effective way out of the difficulty but that of smaller indemnities payable in a few years, adapting to the losers in tolerable proportions all debts contracted toward Great Britain and the United States, the European situation would immediately improve."

Mr. Nitti's definite suggestion and concrete plan for putting Europe upon her feet runs somewhat as follows: He would revise the League of Nations Covenant by omitting Clauses V and X.

"But the League of Nations," he says, "can be altered and become, indeed, a great force for reconstruction if the problem of its functioning be clearly confronted and promptly solved."

The League of Nations, he thinks, can become a great guarantee for peace on three conditions:

(a) That it include really and in the shortest possible space of time all the peoples, conquerors, conquered, and neutral.

(b) That Clauses V and X be modified, and that after their modification a revision of the treaties be undertaken.

(c) That the Reparation Commission be abolished and its powers be conferred upon the League of Nations itself.

As it exists at present, the League of Nations has neither prestige nor dignity; but, reconstructed and renovated, it may become the greatest of peace factors in the relations between the peoples.

Although he emphasized the darkest side of conditions in Europe, Signor Nitti was hopeful of a proper readjustment of European finances and political conditions. He was insistent that new conditions and new stability be discovered as soon as possible, for "Austria, Germany, Italy, and France are not diverse phenomena; they are different phases of the same phenomenon. All Europe will go to pieces if new conditions of life are not found and if the economic equilibrium, profoundly shaken by the war, is not re-established."

That America has it in her power greatly to facilitate if not to save the entire European situation, Mr. Nitti is profoundly convinced.

In interviews with Italian business men and bankers, the question of American investment in Italy received various and suggestive answers, all of which help to

give the point of view of Italian business relative to the United States. In answer to the question, "In what form of investment would American money be most welcome in Italy?" one of the leading Roman bankers said:

"Investments on works of public utility, such as railroad construction, electric plants, drainage of marshy ground, would be welcome. Such undertakings, in addition to representing high yielding investments for foreign capital, would hasten the resumption of normal economical conditions throughout the country. Foreign capital, moreover, should not neglect the opportunity offered in the construction of residential buildings in Italy, which now affords an advantageous opening for the wise use of funds. Agriculture, also, offers excellent guarantee for the sound employment of capital. By the introduction of modern agricultural machinery and implements, the farming industry of Italy can achieve first-grade efficiency and yield large profits. Italy is a country with a rapidly growing population, calling for ever-increasing agricultural production; and easy markets for a very large increase of farm products are to be had in the country itself."

This banker was of the opinion that American financiers might wisely consider the opportunity of investing in Italy at a favorable exchange rate, relying on the fairly certain increasing value of Italian money.

The use of American money in Italian harbor works was discussed as follows:

"Italy has already many harbors, and, more than the construction of new ones, there is required, at present, better connection between these harbors and the regions of the hinterland. Many seaports on the

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Tyrrhenian shore, between Genoa and Naples, such as the ports of Leghorn and Civita Vecchia, could be enlarged and developed with successful business results. The port of Leghorn has displayed in many instances an activity even superior to Genoa, especially for the importation of cereals, while the port of Civita Vecchia has very large future possibilities because of its proximity to Rome, and also because of its being the landing-place of traffic between Sardinia and the Continent."

As to the reparation question the following statement was made to me by a prominent Italian financier :

"The majority of Italians have always looked with a sense of distrust to the advantages derived by Italy from the Treaty of Versailles, which, in public opinion here, generally has been judged to be unjust to Italy. The ruling ideas regarding the question of German reparation are quite generally those expressed by Signor Nitti in his book 'L'Europa Senza Pace.' The statements made by the English economist Keynes have made a favorable impression in Italy. Unlike France, Italy has never inserted as an asset in its budget the hypothetical payments of Germany. These payments are commonly judged as excessive and beyond the means of Germany to pay. It is the general feeling that the state of indecision regarding the German indemnity is far more harmful than the actual payment of money would be, and there is a desire in Italy for a speedy settlement of this vexed question. It is considered advisable by Italian business men to lighten the burdens imposed on Germany, in order to place her in a condition of producing without the fear of a compulsory sale of the output of her activities. It is generally believed that it is only by establishing a sincere spirit of coöperation between Germany and the

Western nations that the European economy will achieve its normal balance."

In relation to trade with the United States the writer received many suggestive opinions on the part of Italians. One foreign trader and manufacturer said:

"It would be most desirable, as far as personal effort and initiative are concerned, that the rate of exchange between the United States and Italian money be reduced as soon as feasible, making possible the resumption of normal business activity, now handicapped by the exceedingly high exchange on dollars. It would also be necessary to grant reasonable terms to Italian importers. At present, American exporters rarely fill orders without a previous opening of credit in dollars, a fact that makes the purchase of American goods exceedingly difficult. It is not simply due to the fact that reasonable credit has been given to Italy in the past by European nations, but, in some cases, because of depressed conditions, dealers need certain time for disposal of a part of their purchases before making payment.

"Certain modifications also should be made in the American law regulating the importing trade, such as the inspection by American officers of merchandise to be exported without responsibility for the condition and quality of the goods at their arrival in American ports."

Another Italian business man stated his point of view toward trade with the United States as follows:

"Our trade continues to increase despite the depressed conditions in world markets, and this is particularly true in the Balkan states. As regards America, as has been stated on previous occasions, our trade

with the United States will be greatly developed if you could see your way clear to adopt a different policy than that hitherto followed relative to the tariff. Italians would hail with satisfaction a policy tending to mitigate the excessive tariff charges which seem to assume ever larger proportions to the detriment of our exports. We allude here not only to the heavy entrance duties, but also to the protectionism and the fixing of prices of such products as form monopolies in both countries, sulphur for example."

Relative to Italian emigration and the restrictions of the present American law, it is usual to find Italian opinion desirous of a modification in order to allow a larger proportion of the Italian population to continue its emigration to the United States. It is not yet clear exactly what practical plan Premier Mussolini has to offer concerning this question, which is so vital to both countries, but in his early statements upon taking office he suggested that the present allowance of Italian emigration seemed too small from the point of view of American needs and the Italian laborer's peculiar fitness to match them.

The Hon. Tommaso Tittoni, president of the Italian Senate, suggests as a basis for emigration policies between Italy and the United States the principle included in the treaty between France and Italy already in effect. These principles are as follows:

(a) No recruiting is permitted in Italy when the labor market conditions of the two countries are unfavorable.

(b) Emigration is not permitted to those parts of the other state where conditions are not opportune.

(c) The Italian workers shall not receive less wages than those received by the natives in the same capacity.

(d) No recruiting of Italian workers is permitted for the purpose of breaking local strikes or of substituting them for dismissed strikers.

(e) The special authorities of the two countries are to see to it that the conditions shall always be fulfilled.

(f) A mixed commission of the government officials of both countries and of representatives of labor organizations and of workers is to meet several times during the year in order to determine the quantity, quality, and distribution of the workers to be imported from Italy, and to determine, as the needs arise, the most apt method of applying the labor treaty.

This agreement, Signor Tittoni states, is "in full vigor, reciprocally satisfactory to both countries, and has the open coöperation of the French Confederation of Labor."

The writer would call attention to the suggestive statement made by Signor Tittoni relative to the preparation for receiving emigrants and also regarding legislative requirements, as found in his excellent book, "Modern Italy":

Strong currents of agricultural immigration cannot be had if the country, or at any rate those interested and in agreement with the Government, do not prepare to receive them, facilitating the acquirement of land and the clearing and the cultivation of same by opportune agrarian credit laws. I will also mention the necessity of meeting the foreign immigrant and his family, especially if a worker, with a spirit of liberality not inferior to that accorded to the native worker in legislative matters. I will observe that the objects which America pursues in the matter of immigration cannot be achieved if a general law is sought to be

applied as a basis of treatment of immigrants without regard to their nationality. For account must be made of the diversity of adaptability of the immigrants of the various countries and of the different action the various countries are taking in the matter of emigration. Immigration legislation of the future must rest on conventional agreements.

The attitude of the Italians toward Germany was stated in a few words by a prominent business man:

"The war is over. Why keep at it?" This does not mean that Italy is not aware of what she fought for. "We wanted an independent Italy," said Signor Pio Perrone, one of the brothers who did so much in the matter of furnishing ammunition and guns to his country even before the Government took the initiative. "We went into the war because we knew that Germany had gradually built up a powerful financial and trade organization in Italy, and eventually, in the event of the Central Powers' victory, would control us utterly. We had to fight to retain our independence."

Of the financial situation as far as foreign debts are concerned Signor Perrone expressed to me the opinion which is quite general in Italy: "If America and England, to whom we owe money, will wait, we will get out all right. We cannot pay now. We must have time."

We inquired of many Italians their idea of the results of the Genoa Conference. "We wasted twelve million lire," was the laconic answer of one Italian banker. "The Genoa Conference has failed," replied a Genoese foreign trader, "owing to the intransigent policy of some participating nations; to the excessive



CENTURY-OLD OLIVE TREES IN CALABRIA

"The olive trees are silver-gray, and gnarled and old and maimed
By cruel years of pruning, yet their growth is never quelled."

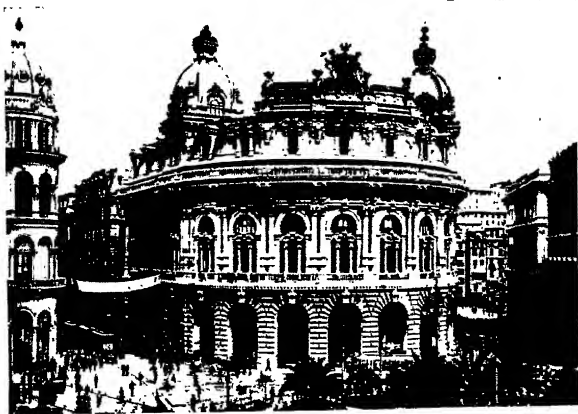


Photo Fratelli Diana

PIAZZA DE FERRARI, GENOA

The building in the foreground contains the Stock Exchange, also the offices of the
National City Bank and the Genoa offices of W. R. Grace & Co.

requests of others for resuming relations with Russia; to the failure of the United States to participate, the importance of which for the economic peace of Europe cannot be overestimated."

It must be said, however, that there is a general feeling among Italians that the conference at Genoa helped to dispel some suspicions and hard feelings and opened the way for later diplomatic contacts, while all Italians are proud to think that their country maintained her reputation in acting in the difficult rôle of a moderating and peace-making power in international dissensions, and provided during this conference an organization for service that was remarkable for its perfection.

The king of Italy and the new administration of the Fascisti will doubtless contribute greatly to American understanding of the Italian point of view in the selection to the post of ambassador to the United States of Prince Gelasio Caetani, a distinguished son of one of Italy's oldest and most famous families, and one of the very popular and able sons of the New Italy.

Prince Caetani was born in 1877, being the fourth son of the late Prince Onorato Caetani, fourteenth Duke of Sermoneta. His mother was an English gentlewoman of the family of the Earls of Lathom. The newly appointed representative of Italy in the United States is probably the first foreign ambassador who came to America in his youth and earned here a degree at an American university. He matriculated in Columbia in 1899 and was graduated from the school

of applied sciences in 1903. Going to the Pacific Coast, he practised his profession of engineering in many parts of the West, particularly in Montana. Italy's new ambassador, therefore, has a large circle of friends in the United States as well as considerable practical experience in this country.

The World War found him enlisted in the Italian military engineering corps, and throughout the entire course of the war Prince Caetani was never absent from the field of action. He suggested plans and carried out a remarkable feat of engineering in laying the mines which demolished the summit of Col di Lana, destroying an Austrian stronghold in Val Cordevole on the Italian mountain front. A gallery was built directly beneath the fort at very great risk and filled with high explosives; the Austrian fort was blown into the air, and the name of Gelasio Caetani was on the lips of every Italian. At the end of the war, while a wave of socialism was sweeping over Italy, Caetani entered public life and took a firm stand for a patriotic and conservative program. His name at one time headed the Nationalist ticket for a Roman constituency, and he became a deputy entering Parliament in 1921. In addition to his political interests, the Italian ambassador has devoted much time and attention to improving the conditions of the land and the peasantry on the vast estates owned by his family between Naples and Rome. He built canals for the draining of the marshes, giving the Lake of Caprolace an outlet to the Mediterranean. In the ancient Roman city of Nervi,

where his family has owned land for eight hundred years, he restored the crumbling Caetani stronghold, and, as a further example to absentee nobility, he spent the summer months and nearly all of his spare time while there combating malaria and restoring thousands of acres of land to productive labor.

It is significant that one of the first appointments of Premier Mussolini should be a man representative of the best abilities of Italy and one whose modern education fits him well to take up important responsibilities in the realm of relationships between his country and the United States.

From whatever angle we study the Italy of to-day, we find a point of view that is distinctly optimistic for the present and future of the country. Since the demolition of the hopes of the Reds and the distinct loss of prestige of socialism throughout the country, Italy has seemed to take on new life in her industries, in her financial arrangements, and in her plans for a general reconstructive national policy. Quoting from the business and financial report of the Association of Italian Corporations, "the Spirit has breathed on the Valley of Dry Bones, and they have put on flesh. A new fervor of enthusiasm, a new ardor of work pervades the Italian people. The nation feels it has a man at the helm, able to steer the ship of state with steady hand, and its energies are redoubled by this knowledge."

It is the plan of the new Government to balance the budget at whatever cost, but not to crush industrial

enterprise by excessive taxation, which always tends to dry up the sources of wealth. It is proposed rather to limit government to its essential functions and discard all others, to usher in conditions favorable to the influx of foreign capital necessary to revitalize production, and, by securing a more just taxation, to give due weight to the redistribution of wealth consequent on the war.

The minister of the treasury stated on behalf of the new Government before the Chamber of Deputies that there would be a revision of war pensions on the basis of legality and justice; a reduction of the deficit incurred for railways, postal, telegraphic, and telephonic services, all of which needed very radical reform; and a redistribution of the periods for payments for war losses and reconstruction in the devastated provinces. Expenditures for the merchant marine were also to be reduced and reforms instituted in the Department of Public Works and in the various bureaus. The initiative of several branches of administration is to be strictly limited so far as the incurring of expenditure is concerned, and the entire work of government is to be simplified in the interests of national economy. War departments are to be immediately wound up, the number of ministries is to be reduced, and life-insurance enterprises are to be returned to free competition.

"But the program of the Government is not limited to economies; it also aims at stimulating the productive energies of the nation. Its first act was to abrogate

the law of the twenty-fourth of September, 1920, for the compulsory conscription of bearer securities, a law which, though it had not yet been enforced, had done much to alarm capital and injure business. The same policy in respect of treaties and of pledges inspires confidence at home and abroad, and tends to stabilize the money market. The minister of finance has clearly stated that his fiscal policy will respect that portion of the national income which reinvests in industry and agriculture. While unessential public works will be curtailed, land reclamation and irrigation, especially in the southern provinces, will be actively pursued; the need of providing for the local representation of agricultural interests and of promoting the prosperity of small landholders will be met, and a provision for vocational training for agriculture is the leading plank in the government program."

The promotion of export trade is a matter to which the Government is devoting particular attention. There is a desire on the part of Italians to place their commercial relations with foreign countries upon a new and stronger basis. A new commercial treaty has been signed with France after a long period of negotiations; and it insures Italy the advantages of the minimum tariff of that country and at the same time grants favorable terms to French imports. Treaties of similar nature are being negotiated with Canada and with Switzerland, while agreements on the basis of the most-favored-nation clause have been made with Czechoslovakia and Poland: preliminary conversations toward the same end have been proceeding with Belgium and the Baltic states.

One of the encouraging points to note regarding the

new régime in Italy is the fact that Italian business leaders, meeting recently in conference in Rome, coincided in the most satisfactory manner with the policy announced by the new ministry. Thus there has been brought about in the Italian peninsula a unity in a truer sense than has been known before. One of the latest despatches from Rome is to the effect that "economy, hard work, and discipline is now the slogan of the Government and people of Italy."

CHAPTER XIV

ITALY AS A FACTOR IN EUROPEAN RECONSTRUCTION

Italy has shown greater courage, has been misled by fewer illusions, and has made more substantial progress, considering her condition immediately after the war, than any other of the belligerent Continental nations. . . .

In any attempt to weigh the various factors that tend toward anything like a cure for Europe's great sickness, I would put the possibilities of this regeneration in Italy almost at the head of the list.

FRANK A. VANDERLIP.

IN the last year thousands of Americans have visited Europe, and few, it would seem, have failed to record their impressions. These impressions have varied according to the people who have been met and according to the general temperament of the investigator and traveler. But on one point all were virtually agreed, namely, that Europe is sick—economically, commercially, politically, and spiritually sick. It is a smileless Europe, and until the face of Europe can again be lighted with the happiness consequent upon prosperity, the entire world will languish and be vitally affected.

Some one has said that Europe to-day is governed by passports, which is another way of saying that no country trusts another country but requires visés for everything. A story is told of a railroad-station

which burned in the Trentino on the Italian side, while the fire company of the town, because of the new boundary lines made at Versailles, was located in Austria. The captain of the fire department, when asked the next day why he allowed the railroad-station to burn, replied, "We tried to get there, but it took us so long to get our passports that the station burned in the meanwhile."

The sickness of Europe is due to stagnation of trade, closed markets, inflated exchange, unemployment and labor troubles, decreased working capacity and class wars—all coming in the train of the World War. It is also due (and more than long-distance observers can realize) to the diseases of the mind and spirit: misunderstanding, human hatreds, disbelief in the motives of others, wrong mental conceptions not only regarding economics but regarding human brotherhood. Europe is sick by reason of its fears, because it has become an armed and hostile camp against itself, because, as one European statesman has said, "neither war nor the consequent peace has produced a single manifestation of art, nor a single moral affirmation."

The Continent is known in some quarters as the "Disunited States of Europe." And this despite all the dreams of idealism surrounding the days at the close of the war and the Versailles Treaty. This treaty, in fact, according to the ideas of many European statesmen, is responsible for much of the calamitous fate of Europe to-day. That Europe at present is in a more unfortunate position in certain respects than she



LA BELLA NAPOLI

Like glimpses of forgotten dreams—Tennyson

was immediately after the Armistice is certainly due in part to a peace treaty that failed in the attempt to make ideal adjustments of boundaries and allocations of people.

One despairing European writer has cried, "May God deliver us from these days of peace!" As it has been said of Russia, so we may speak of Europe in these deluded after-war days: "She does not progress; she increases."

The picture is not wholly dark. There are bright spots, and as long as the people themselves do not give up hope but continue to work, the future holds promise. It is necessary to differentiate between the governments and the people of Europe. While the governments are quite generally disorganized and insolvent, the people are busy and subscribing to bonds to keep the governments going. Throughout Europe we found the spirit of endeavor. We traveled across the broad grain fields of France so lately defaced by the ravages of war, now rich with crops. The French peasant farmer in some sections has been helped by the Government to restore the lands to agriculture, while modern farm implements and farming on a large scale have replaced many a small plot of land tilled in an ancient manner before the war. The devastated regions are still to be found, and it is sad enough to see the places where fair French towns and cities once stood, now but a waste of tangled and chaotic *débris*. Even such districts are not without signs of the new France springing phoenix-like from the ashes of her

ruin. In Rheims, Soissons, and other French cities the writer found thousands of Italians, always the builders of nations, working in mortar and brick and stone, helping to reconstruct the broken, war-swept country and to make it even better than before.

In the United States we hear many doleful reports from European visitors who spend their time in the cities only; those who visit the country and see agriculture and new buildings rising, and everywhere a brave spirit of toil, are more inclined to believe in the power of the European nations to "come back." France possesses the resiliency, the frugality, and the buoyancy that have never succumbed permanently to defeat. Her accomplishments after the war of 1870 amazed the Germans and the world. France has a deep wound, but there is health in the national body and a vast power for recovery.

While the writer has no brief for France relative to German reparations and armament policy, he fails to see why it is hard to understand her position. Threatened as she has been for more than one generation by a menacing neighbor, who also has great potential abilities by way of rapid recuperation, having borne the main ravages of the war on her own domains, promised by the Allies guarantees that could not be delivered, France believes she must depend upon her own resources and arms for her future destiny. It is all very well for after-dinner orators to assure Monsieur Clémenceau that if France were attacked again by Germany the United States would "spring to her aid."

When such vague suggestions are heard, France may be excused for remembering that it took the United States at least two years to "spring to her aid" in the last war, and then not until our own nationals were repeatedly attacked by sea and land, many lives of Americans lost, and our nation threatened with the same disasters that darkened the face of Europe.

A nation of the spirit and practical ability of France may not be unfortunate to have to rely upon her own faculties and her own material efforts to bring about her salvation and security. Given half a chance, no other country is more likely to turn her disasters into future triumphs. Anyhow, the writer left France with the decision to keep his French bonds.

We found Germany somewhat depressed by reason of the constant fall of the mark and the failure of the country to get favorable action concerning a loan from the bankers who had been meeting shortly before in Paris. Here, however, as in France, there were evident signs of industry in all departments of the nation's life. Germany was exporting for the most part to Scandinavian countries, to Great Britain, and to the United States. Little, comparatively, was being done in the import line. At our consulate in Munich fifty or sixty invoices a day represented the extent of business with the United States, though other industrial cities of Germany showed much better averages. There was no considerable amount of trade being carried on with Russia despite frequent reports of Germany's exploiting Russian business. Trade

treaties have little power to create business when one or both of the parties to the treaty cannot furnish adequate financial foundation upon which to build commercial transactions. You can make trade treaties *ad libitum*, and a number of the European countries have seemed to think this pleasant exercise meant quick trade recovery; but if a country or the inhabitants thereof cannot pay for goods received, and if the political affairs of the country are in a state of demoralization, business relations are impossible. An observation by Will Rogers—a comedian, not a financier—applies here: "It's getting harder every day for nations to pay each other unless one of them has some money."

Balanced budgets and steady governments are the two first requirements for business dealings with European nations, and no illusory short cuts can take the place of these in producing commercial confidence.

The bitterness of the feeling in Germany toward France also acts as a drawback to trade. "Germany would fight France to-morrow," said an American living in Munich, "were it not for the Allies." Many a German told me it was the belief throughout the country that France was intent upon the utter annihilation or permanent crippling of Germany. For this reason Germany was loath to trade any more than necessary with France or with other countries allied to France, such as Poland and Czechoslovakia. It is usually believed that countries will trade where they can find the best markets, regardless of sentimental or racial factors. In Europe to-day one finds

certain exceptions to that rule, and national prejudices and hatreds, bred or aggravated by the war and the post-war days, stand in the way of mutual markets. These sinister forces loom portentous on the horizon, a menace to future peace.

Ex-President Taft, speaking before the Press Club in London in June, 1922, said that "the great danger to the world in respect of renewing wars lies in racial prejudice."

In these thirty disunited states of Europe, all of which need to do nothing else so much as to stop bickering and fighting and to learn again to live and work together, there is an immense amount of misunderstanding and racial antagonism. Where trade is being carried on, there are too many cases in which it is attended with suspicion and a decided lack of confidence among the traders. The geographical contiguity of these continental peoples and their usual intimate associations make their present troubles with each other more in the nature of family quarrels, which are always most bitter. The age-long habit of secret diplomacy, again rampant all over Europe, keeps every one distrustful of his neighbors; and when secret treaties (such as the German pact with Russia before the Genoa Conference) are attempted, in order to outwit the others, the air is charged with increased mistrust.

Europe is suffering to-day not simply from economic depression; she is being destroyed by racial distrust, by the lack of international understanding, and by the

absence of sympathetic coöperation. The traces of the one-sided propaganda carried on for war purposes are still evident. I was told by an Austrian that it was no more than right for the United States to send relief to Austrian babies, since if it had not been for the American ammunition and later the American soldiers sent to help the Allies Austria would not have been in the condition in which she is found to-day. Every country in Europe is sick, and every country is blaming some other country for its predicament. During all my sojourn on the Continent, I heard only one man who took a contrary view. He was an Italian, and he said that if Italy came off poorly at the Peace Conference, or in other respects relating to her territorial integrity, it was her own fault. She could not blame any one but herself if her Government or her statesmen were inadequate. It should teach her a lesson to get a Parliament and a set of principles and leaders that would be worthy of respect and command it as a right.

The great trouble lies in the fact that there is little or no attempt to get the point of view—the one of the other nation. It is a case of every one for himself; just as Mussolini said in one of his opening speeches as premier of Italy that the Italian policy would be to display friendship to those nations first showing friendship for Italy. In other words, international relationships are a kind of Tammany Hall plum-party, a give-and-take proposition, while the other fellow must start things by *giving*. That spirit wrecked the Genoa and Hague conferences and promises to make futile

all subsequent meetings between nationals, where representatives of nations come to fight for their rights, to plead their own causes, and to insist, whatever happens to the world, on obtaining to the last iota their own demands from neighbor nations.

International conferences thus become merely courts of law, with plaintiffs and defendants, but with no judge on hand to render decision. In such an atmosphere of intrigue and partial deception international comity is impossible. Old prejudices are kept alive, and new points of discord are certain to arise. The desire for peace may be present, but the methods and the spirit intended to obtain peace are absent. When prejudice comes in at the door the results of hard work and prosperity fly out at the window. Europe needs above all to-day to learn mutual tolerance, the ability to put herself in another's place, for the sake of truth and justice. Without these, conference is a frail support upon which to found satisfactory international relations.

The misfortune of such absence of coöperation between European states is vividly seen in the case of Austria, who in the years since the Armistice, cut off from her indispensable resources through the new allocation of territory, has been steadily retrograding, with virtually no hand raised to give her assistance. The rehabilitation of Austria was attempted after the Armistice, but the plans failed to materialize; and there are some who think that the United States was partly responsible, not by actively blocking the plans,

but rather by being indifferent to them. The United States Grain Corporation supplied wheat for Austria after the Armistice, and a debt of twenty-four million dollars to the United States was created. It is asserted that this debt stood in the way of Austria's obtaining a further loan through the good offices of the League of Nations. While the United States did not refuse to subordinate its claim, our country was evidently not sufficiently impressed with the exigency of Austria to devote at that time serious consideration to the project.

However that may be, Austria to-day is probably in the saddest plight of any of the European states. She needs and must have, before long, financial assistance, since her credit is exhausted, her markets are temporarily closed to her, and her once influential and materially rich territory has been divided and subdivided until she is left with a head, Vienna, but a greatly mutilated body.

In traveling across the country one is impressed here, as in France and Germany, with the ever-present industry and the excellent condition of the farms. The hillsides as well as the valleys and the broad fields are carefully tilled, and when the writer visited Austria last July the crops of grain, hay, and vegetables were abundant. The labor was almost entirely by hand, the women working along with the men in the fields with an occasional ox-team, but with virtually no horses in sight.

One is prepared upon reaching Vienna to learn that the Austrian peasants, who formerly were very poor,

are now among the most fortunate and prosperous classes. There is a tendency for the farmers to consume their own products more generally than before the war, and the cities and large towns suffer from a scarcity of milk and vegetables.

The laboring-classes generally in Austria seem to be most fortunate, since their wages have risen along with, and somewhat in accordance with, the depreciation of the national currency; as the laboring-classes usually live from hand to mouth, they give the appearance of having more ready money to spend. Another factor which has greatly helped the workers is that landlords have not been allowed to raise their rents from pre-war days, and therefore, at the present value of the crown, the laboring-man's rent is ridiculously low. This condition naturally reacts upon the owners of real estate and apartment-houses, who in turn refuse to make any improvements whatsoever upon their properties. The working-man will often go out in an evening and spend as much money on his dinner and entertainment as his rent would amount to for a whole year. This situation has saved the working-classes, in fact all classes, from more serious privation and also has prevented riots that doubtless would have occurred had rents been raised as the currency was depressed. It is possible, however, for people who own houses to rent furnished rooms and apartments at almost any price they wish to charge. This has saved from dire calamity many of the old families, who have found this virtually the only way to make a living.

The heavy burden of economic conditions in Austria has fallen upon the one-time aristocracy, the professional people, and certain of the official and military classes. Many persons who formerly lived comfortably on their incomes in Austria have seen these incomes dwindle to virtually nothing and, at middle life or in old age even, have been forced to find work of some kind in order to live.

A lady whom the writer formerly knew in Vienna before the war and who then had an income of 50,000 kronen a year, with her securities safely placed, as she supposed, in government bonds, is a case in point. This lady naturally thought that her annual income, which was about \$10,000 a year, would be sufficient for her maintenance during the rest of her life. At the rate of exchange when the writer was in Vienna in July, 1922, this lady's annual income amounted to about \$2.50 a year. With the income of 50,000 kronen a year living was quite impossible, since, for example, a pair of shoes cost 65,000 kronen, a loaf of bread more than a thousand kronen, a kilo (or a pound) of sugar about the same price, while an egg cost more than 300 kronen. This condition prevailed when 18,500 kronen were equivalent to a dollar. It can be imagined only with difficulty what such necessities of life cost in Vienna when 70,000 kronen had become the equivalent of a dollar. It must be remembered, however, that while these great amounts in Austrian currency seem almost nothing in American money, the people are not trading there in American money, and that a krone still carries something of its traditional value to the owner. The

lady above referred to was giving lessons in German to foreigners, and particularly to people coming to Vienna from Constantinople, Greece, and the regions of the Levant, receiving 1000 kronen an hour, which, at the rate of exchange when the writer was in Austria, amounted to six cents in American money.

This depreciation of money in Austria is felt more keenly by the old, who have worked and saved and now see their savings for a half-year given by a foreigner to a waiter for a tip. The writer sensed this tragedy, so calamitous for every middle-aged and older person in Austria, one evening when he visited a family and brought a little gift for the grandchild. The little girl whispered as she took the present: "Don't let Grandma know how much it cost. She cries about the money."

One is told that Austria can only feed its population one fourth of the time through its own natural resources; and the extent to which post-war conditions have affected the once gay capital of Vienna is seen in the darkened streets at night, in the absence of Viennese from the expensive restaurants, and in virtually every phase of hotel life. For example, hot water for baths was only furnished three times a week at the hotels. Many of the aged, as well as teachers and many professional people whose incomes or salaries have not increased in proportion to the depression of money, fall easy prey to disease because of lack of food and proper home comforts.

A physician informed me that boys whom he examined in the schools would average at least two years

behind those of pre-war times in physical vitality, largely because of a lack of meat diet and fats. Many young children have hardly tasted meat since they were born, as the cattle were requisitioned during the war and breeding is only just beginning again. An Austrian told me of standing beside a lady of the higher class who with her little boy was looking into a butcher-shop in Vienna, when the little boy of six years of age said to his mother, "Mother, what does meat taste like?"

Many of the former high government officials, as well as former members of the military class, are now working in offices, glad to get any kind of a wage. There are no signs of the idle rich in Vienna to-day, and most of the money at restaurants and public places is spent by foreigners, with the exception of the few who made fortunes as war profiteers—known by the Viennese to-day as the "nouveaux riches," while the former aristocratic classes are known as the "nouveaux pauvres."

Spectacular fortunes were made in the war, often by people of the lowest grade of society. While I was in Vienna a noted actress's jewels were sold, and it was discovered that the purchaser was a Polish Jew who before the war lived with his family of eleven persons in one room in Vienna. It was a common question in Vienna what these people would do with such jewels, which, the pearls especially, were among the most famous in Europe and were worth a king's ransom.

The American consul told me that among his office staff was included an Austrian admiral, an Austrian general, and several colonels and majors, all of whom were highly intelligent and trained men, and were receiving an average of less than forty dollars a month, which is considerably higher than the average salary for office posts in Vienna. When Austria-Hungary was divided, Austrian officials holding positions in Czechoslovakia and Hungary were superseded by natives of those states, and the Austrian officials were obliged to return to Vienna, where they considered themselves fortunate to secure anything whatever to do.

The political situation in Austria was what might be expected in a new state thrust abruptly into the responsibilities of republican government. There were three main parties, the Socialists, the German Nationals, who are leaders of the propaganda to join Austria to Germany, and the Clerical party. The Socialists were numerically the strongest and had the backing of the labor element. Out of 160 deputies in the Austrian Parliament, seventy were Socialists. The burgo-master of Vienna was a Socialist, and this party was working hard in the effort to raise the condition of the laboring-people, passing laws for insurance and better living conditions for laborers and showing keen jealousy at any attempt on the part of the Government to raise the taxes of the working-man. Here in Vienna it is not merely a custom that a servant must have a week's vacation and so much time "off" each week; it

is a law. Working-men, also, are insured against both injuries and unemployment. Small lodgings are not taxed, but large ones are. There are luxury-taxes on such things as unusually fine umbrellas, and if one has more than two servants his tax is higher. There is an extremely heavy tax upon automobiles. Out of three thousand physicians in Vienna only five had automobiles when the writer was there last summer, while before the war there was an automobile club made up entirely of physicians, and then, as in America now, a physician considered a car an indispensable necessity.

The Socialist party particularly (and this sentiment is quite general among the people) have no use for the house of Hapsburg, and even the names of the streets in Vienna have been changed from those which originally bore titles of Hapsburg significance.

There seems to be a different attitude toward the German house of Hohenzollern, and many Austrians favor uniting Austria with Germany. As one business man expressed it, "There is no more patriotism here; we only want to live." Austrians seem to be willing to join any country that will afford them the possibility of life. The hatred for France is supreme here as it is in Germany, but trade is carried on with Italians, toward whom, as compared with France, the war feeling seems to have greatly diminished.

The economic question is the all-important one in Austria and even more dominant than that of politics. A member of the Conservative party, a strong factor in the Government before the war, was asked why he

became a Socialist. He answered truthfully, "A wife and five children."

Austria's foreign trade during the first quarter of 1922 amounted to 1,740,000 metric tons as against 1,610,000 tons in the same period of 1921; her exports were 390,000 tons against 380,000 tons in the previous year.

Despite Austria's great losses in territory producing raw materials and industrial products, she has retained her geographical center, and this center is a pivotal and strategic point from which to reach virtually every part of Europe. Vienna is an established center of transit as well as a natural clearing-house and trade market for a vast area. Roads laid out when Austria-Hungary could choose lines of transportation most feasible through mountain valleys and passes north, south, west, and east are still the great roads for the carrying-trade of central Europe. An important railroad center, as well as a former banking center, Vienna is a connecting link between the Balkan states and western Europe, and, despite her economic weakness at present, she is not without trade possibilities.

Austria exports to Italy lumber and gets from Czechoslovakia at present many raw materials and finished products that are also exported. Austria is a mutual market with Italy, and from Italy Austria gets grain and flour by way of Genoa. Germany is competing with Austria along textile lines, but this trade is more or less at a standstill.

Exchange fluctuations from day to day make against

steady and confident business as regards both foreign trade and local dealings. Shopkeepers in Vienna were not over-anxious to sell, and took every opportunity to close their shops, since with heavy fluctuations of exchange it was extremely doubtful whether their books can show profit or loss at the end of the day.

The hopeful sign in Austria, if one can find a ray of hope in a situation where the old economic unity of the country has been arbitrarily disrupted, lies in the universal spirit of activity. There is, indeed, a feverish excitement in Vienna, driving the people on to incessant toil, and growing out of the artificial stimulation of a fluctuating exchange. It is not a stable or a healthy activity, but it may tide the nation over until some financial help, which now seems to be coming from the allied powers, may come to assist this ancient and important nation in reconstructing her broken affairs. Certain it is that only through a prosperous and contented and working Austria can economic and industrial stability come to central Europe.

When one leaves Austria and looks toward the Balkans, which have been the perennial kindling places of Europe's wars, or to Turkey or Greece, which so recently contributed to confusion rather than peace, there seems to be little help in the solution of Europe's dilemma. Russia is, of course, out of the question as a positive force for bringing about a reconstructed Europe, acting rather as a menace and drag upon all efforts to bring about international or European harmony.

Before turning to Italy, where one finds more of

hopefulness than in any other spot in central Europe, it may be of interest to appreciate how generally European nations look to the United States for help. One hears everywhere, in different words but the same story, that America began, during the war and in connection with the Armistice and peace treaties, to coöperate with Europe, and that her sudden abandonment of the continental situation is one of the greatest calamities of the distraught European world.

What America's answer is to be is not yet entirely clear. American financiers and business men who know best the international situation are not inclined to encourage the making of further loans to European states, already heavily indebted to us, until these states have shown signs of more decided internal regeneration in the administration of their business affairs and the balancing of their budgets. Europe needs much more than a loan of money. "Europe is so sick," said Mr. Vanderlip, "that she needs something besides poultices and lotions. She is so sick that she needs a transfusion of blood. She needs encouragement, unselfish helpfulness, perhaps some admonition and direction." Mr. Vanderlip's plan for help is, in general, not to remit the European debt, but, as these debts, principal or interest, are paid, to formulate an arrangement by which the money can be lent back to the different states for the necessary development of their industries, thereby stimulating the effort to pay the obligations and preventing the possibility of the debtor's arguing "to his own satisfaction, at least, that there are palliating circumstances which throw doubt

on the full validity of the debt, and thus making the relation between debtor and creditor necessarily strained."

The situation is not at all easy of solution as far as the association of the United States is concerned, with the present mixed and, in some places, chaotic conditions on the continent of Europe. Our foreign trade, which started off so briskly and hopefully in new and enlarged channels at the close of the war, has received a decided setback of late, and there is a question in the minds of many American manufacturers whether foreign business is in the long run profitable to the American trader. The old provincial and stay-at-home spirit is hard to kill in America. There are still so many opportunities for the enlargement of business at home, and the United States is so nearly self-supporting and self-contained, that those who advocate an American economic unity by ourselves are able to put up a good argument.

On the other hand, American help has been and will continue to be extended to Europe and the world through our far-reaching charities and relief, through our aid to students in Europe, to education and missions in the Near East, and in a hundred other ways in which we are socially and politically as well as economically related to the continent of Europe. With a population made up so largely of Europe's sons, America can never wash her hands entirely of world problems.

But the reason that is far more potent than any

other is the sense of obligation that comes always with great prestige and power and must be satisfied unless the nation or individual is to miss the highest development and possibility of growth. The United States has gone through many of the problems which are uppermost for solution in Europe to-day. She has brought about, not without bloodshed, a unity of States in one federation such as Europe particularly needs at present. Not that the thirty or more distinct nationalities of Europe should in any sense give up their independent control of their own countries, but when it comes to action and policies affecting an entire continent there must be worked out a give-and-take union similar to that represented in the United States of America.

It has been unfortunate, to say the least, that after the Versailles Conference, which emphasized so strongly the idea of self-determination on the part of small states, this idea so thoroughly immersed the minds of European peoples that the complementary and equally important ideas of international unity and coöperation seem to have been quite overlooked. The consequence has been that every state in Europe is inclined to set up such a hard and fast national sovereignty that often selfish patriotism has defeated itself, and inordinate passion for nationality has become the worst enemy of peaceful and prosperous international effort.

There is no doubt that the United States, which has always been found ready (after it has taken time to

consider its problems from all sides) to assume its due share of responsibility, will find a way in which to be of assistance to European states, thus aiding the civilization of the entire world.

Meanwhile, let no one believe that Europe is without possibilities in herself for her regeneration. There has been a decided change of sentiment on the part of labor throughout the Continent west of Russia during the last few years, and, speaking generally, the menace of Bolshevism has been largely eradicated. A new spirit of determination and idealism is also apparent in the youth of Europe at present. We have seen it in a number of states, and nowhere more plainly than in Italy, where under the leadership of Mussolini and in the ranks of the Fascisti it has been taking things into its own hands—dangerously, perhaps, but nevertheless revealing an imaginative fire and a certain idealism which is new among the older states of Europe.

It is the impression of the usual thoughtful traveler who, in the course of visiting various European countries, finally comes to Italy, that there is here new hope and a certain accomplishment already under way that not only will redound to the good of the Italians and their country but will also have its decisive influence in the reconstruction of Europe. Such a statement will doubtless seem the merest verbiage to the inhabitant of some European countries. It is a popular habit among some nationalities to minimize the importance of Italy so far as international influence goes. The Englishman or the Frenchman may go to Italy for a holiday or to paint landscapes, but rarely



THE NEW ITALIAN STEAMSHIP *GIULIO CESARE*, A VERITABLE ITALIAN PALACE AFLOAT

"O Julius Caesar, thou art mighty yet!"—Shakspear

does he give the country where there still lives the spirit of Mazzini and Cavour any thought as a germinating center for new ideas and new political accomplishment. Who can expect anything from the "Wops" and the "macaroni-eaters"? Can any good come out of this impoverished land of artists and singers and bricklayers? Despite the stubborn fact that Rome has given the world at least two distinct new civilizations, the average European would no more think of looking to Italy for redemption than a first-century Jew would have thought to expect the Messiah to come out of Nazareth.

Yet there are many observers of Europe to-day who feel that Mr. Vanderlip correctly presaged Italy's part in the way of example and inspirer of Europe when he said:

"In any attempt to weigh the various factors that tend toward anything like a cure for Europe's great sickness, I would put the possibility for this regeneration in Italy almost at the head of the list."

Italy's deeds as well as her inherent character entitle her to attention as a force of reconstruction. She is as utilitarian as she is ideal in her purpose and action.

Her practical and economic achievements, not only during the last half-century but particularly since the war, are noteworthy. Italy has shown her business insight in not hanging her hopes upon expected indemnity receipts for her financial recuperation. Long ago she stopped printing bank-notes as an attendant of budget deficits. She has formulated and carried

through a tax reform with a firm hand and with results that have cut down her fiscal deficit steadily during the last few years by billions of lire annually. The country without coal has already begun to harness her mountain streams to furnish power for her enlarging industries and to electrify her railways. She is enlarging her ports and adding to her merchant marine. For at least three years she has been gathering her strength to root out Bolshevism from her domains, and the virtually united Italy rose up last August and, behind the slogan of "Fascismo—to save Italy!" the ranks of the Reds were broken, the Italian Radicals discomfited, and the Communist party dissolved. (And this is something, by the way, far more definite and daring in the way of paving the way to constructive nationalism than any other nation has attempted since or even before the war.)

Since the war, moreover, Italy has not contented herself with internal matters only. She has launched several of the most palatial and artistic passenger-steamers afloat—witness the *Giulio Cesare* and the *Conte Rosso*—thereby linking her country in first-class ocean service with both the southern and northern portions of America. The *Giulio Cesare*, upon which we returned to America, is one of the best equipped and most artistically perfect steamships we have ever seen. The food and the service were not inferior to any transatlantic liner. This new ship reminded one in its choice decorations and elaborate furnishings of a floating Italian palace.

To the Near East, also, Italy has gone for trade and built up a commercial system of no mean order, while at the same time she was spending large sums upon her new banking, manufacturing, and agricultural institutions and industries. The redeemed provinces have also required constant attention in repairing the ravages of war and in political adjustments with neighboring states.

Relative to his foreign policy, about which there has existed some apprehension both in Europe and the United States, Mussolini has taken a course at the various international conferences that is in line with moderation so far as interfering with the policies of other countries is concerned, and on the whole he has added to the prestige of his country among European powers. As to loans, he recently laid down a principle applicable to a large part of Europe when he said that Italy had no basis as yet for outside credit and could not have until she got down to work.

In Hungary, Bavaria, and even Mexico there have been signs of attempts to follow Italy's example in the use of a Fascisti movement to cure the ills of sick governments, but none of these has revealed the statesmanship or the active vigor that Italy's leader has brought to his campaign. Commenting upon the Fascisti movement in Hungary, the "Pester Lloyd," a bourgeois orthodox journal, says:

The public knows that an intensely active secret movement is going on to form a Mussolini organization here. . . . But there is a very essential difference

between the Italian Fascisti and the men who are imitating their methods and their slogans in Hungary. . . . The Italian Fascisti have a Mussolini to lead them, a man who uses revolutionary methods, it is true, but only for the purpose of reëstablishing the shaken authority of the Government, and to fight a form of revolution that would destroy that authority. His whole conduct since his appointment as premier proves that he merely sought to abolish a weak and vacillating rule that feared to take vigorous measures against those who plotted to overthrow the state. But the men who are promoting the Hungarian Fascisti movement are not of this sort, nor do they seek this object. . . . They do not aim to strengthen the discipline of the state, but to demoralize that discipline.

In the internal affairs of Italy the present premier has been making progress in the line of reforms. When some time ago a group of Fascisti proposed that a national subscription be started for the purpose of raising five billion lire, Mussolini promptly vetoed the idea. His practicality led him to see that his people, already impoverished and heavily taxed, could not sustain such a contribution. At the same time he stated that he had no intention of increasing the Treasury's debt by either internal or foreign loans. The premier of Italy rather aims his action at present toward drastic economies in the affairs of government, toward rigidly enforcing the present laws, and toward quickening the pace of production in every kind of Italian industry.

Taxation laws are to reach sections of the population which have illegally escaped in the past. In Italy

it is not the capitalist and the rich man who with tax-exempt securities evade in part the Government's tax; it is rather the day-laborer, as Mussolini's Government discovers—five hundred thousand Italian laborers, in fact, who have hitherto escaped the payment of taxes. The minister of finance declares that the highly paid laborer, who from now on will make his contribution to the taxes levied by the Italian Government, can better afford to do so than many people like teachers, clerks, and certain professional classes upon whom taxation is at present a heavy burden. Taxation is being distributed in such a manner as to aid so far as possible industrial development, and to produce, as soon as possible, conditions of production and prosperity that will attract investment of capital in agricultural and industrial enterprises.

Administrative reform has begun, and while it is unwise in the eyes of the Italian reconstructionists to cut off suddenly at least one hundred thousand government employees engaged in various departments and activities controlled by the state, a real start has been made. The cabinet has forbidden the addition of new employees, ordering that those who drop out for any reason shall not be replaced. The entire police force of the nation—the *carabinieri* and the *guardia regia*—is to be cut in half, which greatly reduces expense and reveals Mussolini's belief in the permanence of social, industrial, and national peace throughout the country.

State monopolies of railways, telephones, post, and telegraphs, with their endless red tape and bureau-

cratic opportunities for graft, duplication, and over-employment, have been taken in hand and plans made for the passing of these activities into private hands at the earliest possible moment consistent with safety. Private initiative is being sought also for shipping and port service.

The rise of Italian exchange since the Mussolini Government went into power, is a notable feature of progress. It is also interesting to see that the present year's deficit in Italy is only half that of 1920, the tendency of Italian finance being toward a balancing of the budget, which Mussolini is making the object of his first labors.

The present deficit shows sums reflecting heavy outlays for reduction of prices of food-stuffs, of war claims, and of railway operations. The military expenses of Italy at present form only 14 per cent of the revenue, as contrasted with about 30 per cent in France. These expenses for the military will be cut more than a half-billion lire in the current fiscal year.

The industrial outlook is also encouraging. The agricultural associations have been inspired to undertake a vigorous propaganda in behalf of the cocoon and mulberry-leaf production. The talk about the decline in the Italian raw silk industry since the war is disproved by the latest reports, which show that in 1922 the value of Italy's crop of silk cocoons was five hundred million lire per annum. Commercial agreements have been made recently to admit silk goods on favorable terms into other countries. The cotton industry reports that virtually all its spindles and looms

are running on full time, with four months' orders ahead. The consumption of cotton in Italy for the half-year ending July 1, 1922, amounted to 380,905 bales, as compared with 289,044 bales for the half-year ending July 1, 1921.

Quite as potent as this practical example of a country filled with people who love to work is the presence in Italy of an idealism, the faculty of moral and spiritual vision, never entirely lost to Italians even in the country's darkest hours. Like the Americans, as George Barr McCutcheon once said, the Italians do two things exceedingly well, "they dream and they perform." In their dreams as in their work this race has had a great part in the making of the world and of civilization.

It is because among all the European countries there is found in Italy to-day these indications of a spiritual and moral awakening, a rising up of youth, patriotic and filled with the zeal that only youth can give to a cause, that more than one nation has a right to look for help and health to the New Italy.

Mr. Vanderlip in his book "What Next in Europe?" tells of meeting, in Florence, Roberto Assagioli, in whom he discovered "a flame of a love of justice and humanity" that reminded him of the characteristics of St. Francis. "A talk with him on the moonlit balcony overlooking the Arno," writes the American banker, "was one of the incidents I shall best remember in this whole European trip. It was in deep contrast to the bitter comment on conditions and life which I heard from so many people in other countries. He

seemed to have a calm and serene understanding of the causes of the world, and a sensible apprehension of where materialism was leading the world."

As to the exact nature of this new spiritual, national development in Italy which impresses every intelligent student of the country these days, it would be hard to give strict definitions; but that it is not working along the lines of ancient creeds, but rather toward the building up of good will, tolerance, and a belief in some of the old but changeless ideals such as individualism, national patriotism, and international brotherhood, nearly all are agreed. "When I left Italy," said Mr. Vanderlip, "I felt that this spirit of renewal might grow in intensity until it lighted the darkness that was spreading over Europe."

A book was published in London in the early part of 1922 called "The Revival of Italy." Its author is George D. Herron, whom I have already quoted in another chapter. It is a book dealing almost entirely with the perennial spiritual quest of the Italian people following the voice of their prophets Dante and Mazzini. The rising up of Italian youth led by their dauntless leader, Mussolini, had not occurred when the book was published, but the description given of Italy's *Risorgimento*, following Mazzini's teaching and spiritual vision, has many points of application to the events occurring in 1922.

"Coming down to the *Risorgimento*," writes Professor Herron, "no interpretation of that supreme human moment is comprehensive or scientific that re-



Where hides the spring in Tenement Street;
Spring, with her joy and her exquisite pity.
—Evelyn Simms

gards it as a mere struggle for national unity. It was in Joseph Mazzini—whom not a few believe to be the most illuminated of the sons of men since Jesus of Nazareth—that the Risorgimento was truly articulate. And in him we see the Italian revolution as more than Italian, more than European; the motive for the liberty and unity of Italy lay in the resultant liberty and unity of mankind. Mazzini struggled to deliver Italy from the Austrians, in order that Italy might deliver the nations from a materialist civilization already then bearing them down to perdition. He beheld the people corrupted and benighted by the materialism of the politicians and the capitalists on the one side; he beheld on the other side the world's workers passing under the strong delusion laid upon them by the materialistic Messianism of Marx. He conceived it to be the mission of Italy to speak the new word, to take the sure initiative, that would save the nations from the degradation and disillusion, from the tyranny and the slavery inhering in the materialism in both the left and the right. It was an Italy anointed and commissioned from on high, and Italy redeemed among the peoples international, not an Italy content with a mere conquest of her own liberty, that moved Mazzini from the days of his childhood in Genoa until the hour of his lone death at Pisa."

It was the same spirit that moved the arm of Garibaldi, who promised his soldiers only disaster and death as their spiritual reward, and it lived again in the vibrant strains that some of us heard the Italian youths singing in the cities and towns of northern Italy last summer.

The light that was kindled for Italy in the teaching of Mazzini, who was more than mere patriot, who was, indeed, the prophet of Italy, still abides among the

people. To the present young Italians in the midst of their critical hour, Mazzini would seem to speak 'as he did in other days in thrilling and imperious words.

"Are we advancing," he would ask, "toward anarchy or toward a new mode of things, toward dissolution or toward a transformed life? All ask themselves this question; all could solve it, if the point of view of each man were not narrowed by his position in some one of the adverse camps. . . . The old generation may be doomed to pass away amid this moral anarchy, but the new already aspires toward a faith, and will not expire without having realized its aspiration."

Mazzini not only sowed the seed which brought about the present unity of his mother-land but left trails of thought running into every department of his country's modern life. Deeply spiritual without being a bigot, he cried out to his people in words that the imaginative and highly romantic and spiritual Italians have never forgotten and will never forget.

"Your task," he said, "is to found that Universal Family, to build up the City of God and unremittingly to labor toward the active progressive fulfilment of His great work in Humanity. When each of you, loving all men as brothers, shall reciprocally act like brothers; when each of you, seeking his own well-being in the well-being of all, shall identify his own life with the life of all, and his own interest with the interest of all; when each shall ever be ready to sacrifice himself for all the members of the Common Family equally

ready to sacrifice themselves for him, most of the evils which now weigh upon the human race will disappear, and the gathering vapors of the horizon vanish on the rising of the sun; and the Will of God will be fulfilled, for it is His will that love shall gradually unite the scattered members of Humanity and organize them into a single whole, so that Humanity may be One, even as He is One."

Such is the millennial vision which the Italians have inherited from Mazzini. It is a beatitude seemingly difficult of realization in a chaotic, materialistic, and earth-bound period of time.

Yet is there any force but this that has not been tried, only to fail, in the attempt to cure the universal national selfishness now threatening the civilization of Europe? This ideal of love and brotherhood has been in the background of Christian civilizations for a long time, but there has never been a time when it needed a more vigorous restatement and application.

Count Okuma, the late premier of Japan, speaking of the politics of his nation, said to me a short time before he died, "The great need in Japan to-day is to spiritualize our politics." In Europe, as throughout the world, our inadequate national relationships, and even more inadequate politics, call upon us to gather up our broken idols and half-dreams of social and national progress, breathing through them something of the spirit of the Founder of the religion the Western world professes, and which, though sadly in disuse, has not lost its reality and power.

It is in Italy, the birthplace of spiritual revivals throughout the centuries, where the awakening into new life of such a moral and spiritual cult as that of Mazzini would seem most natural. It has been the characteristic of Italy and the Italians to rise always from the depths of the seemingly blackest tragedy and despair to the highest peaks of idealism, patriotism, and transcendent purpose. If Italy, ever rich in patriotic passion and rising at times to the highest order of sacrifice and renunciation, can to-day fulfil the ideals of her great leaders, she may become truly one of the chief factors in European reconstruction.

CHAPTER XV

"THE MAGIC LAND"

By woodland belt, by ocean bar,
The full south breeze our forehead fanned;
And, under many a yellow star,
We dropped into the Magic Land. . . .

We heard, far off, the siren's song;
We caught the gleam of sea-maid's hair;
The glimmering isles and rocks among
We moved through sparkling purple air.

Then Morning rose and smote from far
Her elfin harps o'er land and sea;
And woodland belt, and ocean bar
To one sweet note sighed—"Italy!"

OWEN MEREDITH.

UNLESS by very unusual luck, it would seem impossible to find a word to convey the unique charm and magical spell of Italy. Few, if any, other countries have taxed more truly the descriptive vocabularies of writers, artists, and travelers. For sheer natural beauty, for sentiment and romance, for music and sunshine, for laughter and tears, Italy has ever been the Queen Mother of the world.

She belongs somehow in a mysterious way to the human spirit, and Italy seems to release those who

really know her to a wide and splendid liberty. Here, if anywhere, the ancient gods must have sanctuary.

There is something of magic about the very mention of the name Italy. It holds a lyric charm. Could Owen Meredith, or any one else, write a poem about Germany, Sweden, or Scotland and call it "The Magic Land"? It would be absurd.

Travelers in Rome throw soldis into the beautiful fountain of Trevi, since there is an old proverb promising that if you do this you will surely return to Rome. For most world travelers who have any romance in their natures, this is an endless waste of coppers, and to see Rome and Italy once, for many temperaments, at least, is to visit them again and again, drawn as was Ulysses by siren singing. "Each man has two countries, his own and Italy."

Climate! you say, semitropics, azure seas, mornings that seem always like the openings of summer days, when you awaken to the singing of birds and when peace and quiet lie upon your soul like light. If you suddenly drop down from Switzerland into the Italian Riviera, bathed always in dancing, shimmering light reflected from the blue waters of the Great Sea, it is like entering a new and joyous world; and so magic the charm that as H. M. Tomlinson might say, "I think I might hear faint cheering, if I listened intently." Yes, no doubt climate helps to make Italy a land of idyllic loveliness, yet Italy has no great advantage over southern France, Spain, or Greece as far as climatic charm or the lure of the sea is concerned.

History and ageless monuments! These, too, make Italy a magic land. Recollections of what she has been, cradle of our civilization and home of the Christian religion, birth-land of modern literature, conservator and recreator of science and art. In the words of Lord Byron in "Childe Harold":

The Niobe of Nations! There she stands.

Who can ever forget his first night in Rome? Twice one might say impressions are indelible, in childhood and in Rome.

Even transient travelers, led by Cook's and the American Express, who powder their garments with Roman dust as they are whirled through her historic highways, having but a blur of memory of galleries rich with art and ageless temples, relics of days that are dead—tourists, even, become silent in their first visit to the Colosseum by moonlight or when they look across the ancient seven-hilled city from the uplifted Janiculum. There is much indeed to be said concerning Italy's contribution to historical and memorable traditions, yet she is not alone in such immortal associations and gifts to mankind. Athens and Alexandria, Constantinople and Carthage, and the great religious cities, Jerusalem and Mecca, are also rich in immemorial splendor and influence upon the human race.

Yet none of these cities has any such thrilling significance as the naming of the mere words Venice, Florence, Siena, Pisa, Rome, and Naples. Then,

there are so many other magic names, as Capri, lying brilliant and sunlit in the singing sea, and Como amid the Italian lakes, representative of the sun-loving, beauty-loving spirit of Italy. The tales clustering about Italian cities are endless, tales of romance, of ancient wars and stories of great deeds. These are tireless themes for the world's attention.

What carries to the imagination greater charm than that of Venice? "She sits there dark and beautiful amid the seas," writes Laura Spencer Porter, "opalescent Venice, like a glorious crown of Italy, and her feet among the olives and pomegranates. And men come to her from afar and she tells them tales of romance not to be matched elsewhere. And they remain on and on and love her and return to her, and her charm is never told."

Men have flocked to Italy from every land because of this universal love of romance. In sharing Italy we seem to have a part in a broader, older world than our own. We find there, also, ourselves. We like to break out of reality and go there to dream of cities and men, of heroes and deities, made familiar to our ears from our earliest days. We tire of exactitude and shut-in walls. Italy gives us freedom, the freedom to wander in the bright fields of imagination. We love Italy's easy-going and delightful charm, her dolce far niente atmosphere, her spirit of gladness; it is a country where laughter is as natural as for a bird to sing. Here is a land with church fêtes for nearly every day in the year, with feasts for every city to honor its patron saint. -



THE ITALIAN RIVIERA—LAND OF COLOR AND SUNLIGHT

We all love that haze of unreality that clings on the edge of the adventurous, extravagant, fanciful, imaginative spirit which is Italy. It softens, subdues, and mellows life. Venice is rightly called "the city of song," and Italia's tongue is a liquid language built, as it would seem at times, solely to be musical, as Paris squares are made first to satisfy beauty. It is the land of lovers and sentiment, the land of Dante and *Beatrice*, of Petrarch and *Laura*, of *Romeo* and *Juliet*. It is the land of St. Francis, who called the sun and air and fire and water and birds his brothers, who made poverty lovable and desirable, called it "the bride of his spirit." Italy impresses like the splendor of a dream. The Italian expression, mixture always of sadness and joy, leads one into the atmosphere of spiritual beauty. On the Medici tomb you recall the dreaming figure "Night." Michelangelo wrote the following inscription :

Sleep is sweet, yet more sweet it is to be of stone, while misery and wrong endure. Not to see, not to feel, is my joy. So wake me not. Ah, speak in whispers!

Italy possesses a magnetic virtue quite peculiar to herself. Siren-like she seems to sing to every traveler a song fitted to his own particular weakness of nature. She belongs to us all, not to artists and antiquarians only, but to every school-boy who has had his round of Cicero and Vergil and the Gallic Wars. She has been ever a golden wonderland, a place for dreams and music, home of poetry and song, where lovers of beauty have ever wandered, as in an ideal world. The

chords that Italy sets vibrating in our hearts still vibrate in the life of our routine hours. Her immortality reaches beyond the effacing years. Her quaint, out-of-time towns and monuments belong to a timeless world.

As no other country, Italy invokes from her admirers real affection. Of her, Robert Underwood Johnson has written :

Dear Italy! The sound of thy soft name
Soothes me with balm of Memory and Hope.
Mine, for the moment, height and sweep and slope
That once were mine. Supreme is still the aim
To flee the cold and gray
Of our December day,
And rest where thy clear spirit burns with unconsuming flame.

Thou human-hearted land, whose revels hold
Man in communion with the antique days
And summon him from prosy greed to ways
Where Youth is beckoning to the Age of Gold;
How thou dost hold him near
And whisper in his ear
Of the lost Paradise that lies beyond the alluring haze!

The appeal that Italy has made to men and women of so many varied races has been in the realm of the imagination and in that bond of mystic feeling which has no nationality. Idealism has small respect for latitudes or points of the compass. The American would hardly be defined as a romanticist, neither would he be classed with the mystics of the East; yet in both of these elements his nature is rich, and this has been

one of the ties he has felt with Italy. Both the Italian and the American at present live in a very practical world, yet poetry and sentiment are strong in each and only await the right touch of incident or suggestion to come forth.

In one of Garibaldi's most hazardous marches, Trevelyan thus pictures him:

On the night of June twelfth a dangerous forward march was made in order to reach Brescia. While Garibaldi, skilfully avoiding Urban's columns, was wending his way in the darkness by a small track along the slopes of Monte Orfano, he suddenly drew rein and began to listen intently—for the distant sound of horses' hoofs or cannon, as his staff supposed. But, in fact, a nightingale had just broken into song over his head and in a moment he had been rapt in that moonlit hour into another sphere where the inner life of his soul was spent. He sat long motionless in a trance from which his followers were at last fain to wake him. In the morning they safely entered Brescia after one of the most hazardous marches of the campaign.

The Italian people are among the most romantic in all the world. They love ideals and poetic beauty in every form. Again and again I have seen the faces of Italian youth change as they have spoken of their first visit to Rome, or have described one of Italy's renowned scenes of natural beauty. They spoke as though listening to music that none hears but oneself.

The American is a bit more chary in talking out about these romantic elements of his nature in a land where everything is so "strictly business." But if you

get him alone on some long vague walk at night by the sea beneath the stars, you will often find the great depths of his life's loyalties breaking up, and there, below all the furies and sometimes premeditated attempts at concealment, you will find the real man of dreams and visions splendid. Here he will join the franker Italian in displaying all the subtle and charming traits of youth lost in the sense of its own significance. Here he moves about in a mysterious paradise natural to him, for it is all his own.

There are many things in common between the Italians and Americans in this realm of the romantic and mystic possibilities of life. More of us will go to Italy in the coming years on business bent than in the past, but there will never be a lack of visitors to the Italian shrines of magic loveliness and poetic feeling where the fine souls of earth have always worshiped.

Many influences draw us to Italy because it is classic ground. It has been the home of generations of men, among whom are the most highly renowned personalities in the world's annals. Boswell once wrote to a friend that if he could only see Rome "it would give him talk for a lifetime."

Rome gives to the imaginative nature the sense of that which America cannot give for many centuries—age, a past rich in authentic adventure, fascinating in legend and historic fact; and in all of this the American somehow feels he has a right, with every other foreigner, to claim a share. Rome is the mother-country—not only of every boy who has taken his



A STREET IN SUNNY CAPRI

Fair clime! where every season smiles.—Byron

daily portions of Horace through the formative years, but of tens of thousands of men now living who have wandered over her seven memorable hills and have caught in transient holiday something of the freedom of her spirit, and new health in her sunshine. Rome has given to her myriads of travelers cheap living, also, in the years gone by, and the escape from "the tyranny of public opinion."

Here man has learned he can be an unrestricted, natural human. He has gloried to find a place where he does not always feel obliged "to live up" to something or somebody. Not that the average man wants to "sin a while," as the old bishop yearned to do after a long "protracted meeting," but the eternal social conventions, clothes, and engagements, and doing the expected, the round of seasonable proprieties, get on the nerves of the most inured of world's citizens. Italy gives unique freedom for the expression of personality. You can live according to the style that pleases you; you can keep the hours you wish and see the people you find most interesting without the grinding sense of Mrs. Grundy or the fear of being jerked to the police court.

Weak? Possibly, but not necessarily wicked, for as Lowell once remarked, "to be weak is to be miserable only when it is duty to be strong."

There is also here a sense of permanence and repose. The very unchangeableness of Rome has been one of her attractions. To the average American city-dweller who spends his time speeding up during the

whole livelong day when he is not jumping out of the way of the automobile—"destruction that wasteth" him at noonday—Italy comes as a balm to the spirit. To be sure, the taxis, which are rapidly taking the places held so long by the Italian coaches, obey no speed laws of God or man, but still there is yet room enough on Italian streets for everybody, and, however lively the Italian spirit, it is not the tense and troubled hurry of the American world.

Italy exerts a charm that is intangible. She must be felt rather than talked about. Some of the best impressions of Italy are those that can never be taken down. Italian magic defies capture. It is as elusive as a sunbeam, leaving a distinct and ineffaceable memory that lives in one's consciousness, half vivid, half obscure, like the sense of a sunset or a beautiful mountain, or the impression that intelligent and adorable individuals carry about with them, the magic and magnetism of which lingers when their words are forgotten. It is the sense of presences.

This indefinite something, richly primitive and universal, this elemental quality of timelessness, spirituality, and diversity, lying near the soul and the springs of original supply, is Italy. It is this that draws and ever allures the traveler to return. Her creeds, her longing, her elemental mysticism belong to the unutterable properties of human being. Italy strikes a note near the heart of life, and in consonance with the inwardness of living and of eternal realities.

Deeper than tourist's talk, finer than the mosaics

and paintings, more compelling than climate and architecture, Italy speaks to something within us. She touches our life on its myriad sides,

Its pain, prayer, pleasure, act and sleep.

The Italian magic, more like that of the Orient than anything else found west of Suez, lingers with one long after the immediate presence is lost. Italy's spirituality, her poetry, her beauty and romance cast a spell as of

A great bell beating afar and near
The odd unknown enchanted gong
That on the road hails men along,
That from the mountain calls afar,
That lures the vessel from a star,
And with a still ærial sound
Makes all the earth enchanted ground.

After you have noted some outstanding traits of character of the Italians, after you have described her politics, her architecture, and her commerce, even then there is more to Italy, something inescapably fascinating, like hidden music, or the voice of the sea.

I recall as distinctly as though it had been but yesterday what a sense of "home" I experienced, now more than a decade ago, after spending many months beneath the tropical sun in North Africa and Egypt, when on one June evening I stepped upon the Italian soil at Venice from an Austrian Lloyd steamer that had brought me from Alexandria.

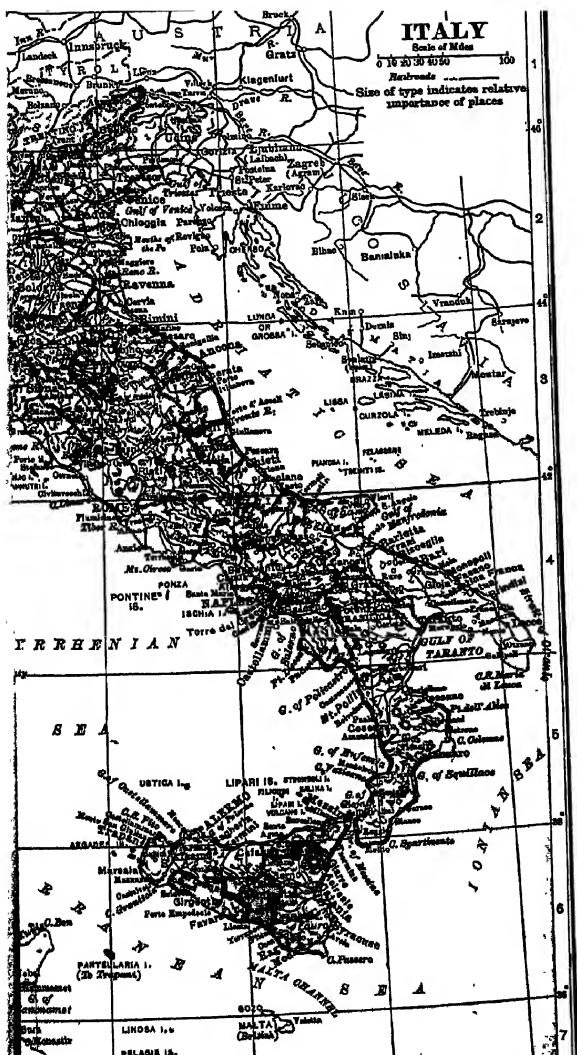
I sat in the wide square of St. Marks until long

past midnight, fairly enthralled with the compelling sense of something satisfying and complete. It was not the clothes of the passers-by; it was not wholly, I am sure, the Venetian architecture or the rounded domes of St. Marks, nor, altogether, the faint strains of gondola music that floated up from the Grand Canal. I scarcely realized that the people were speaking a language other than my own. I had the unconscious, but yet conscious, feeling that these people understood, and that I could make them understand because they *knew*. *What* did they know?

Was it a common knowledge of social understanding? Was it a sense of common heritage of ideas, of law, of art, of progress, of classical background; or was it the unity of a mutual spiritual association, a blending of natures in that realm where the language is of the spirit and not of the letter? I could not tell then, and I cannot tell now with any satisfaction even to myself, why I, an American, felt the tightening of the heart that made me intimately at home in Venice, a European city, which I saw that night for the first time in my life.

Yet then and at every subsequent visit to this, as to many another city and hill-town of that fair country, I have felt the magic charm of Italy, that charm that no one has expressed, for me at least, so vividly as has Owen Meredith, when he has not described it at all, but said simply:

And, under many a yellow star,
We dropped into the Magic Land.



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